

The complaint

Miss D is unhappy that Barclays declined to refund the money she lost to an investment opportunity she now believes was a scam.

What happened

Miss D came across a company (run by an individual I will refer to as T in this decision) through friends who had invested. Miss D followed the individual behind T on social media and spoke to her on the phone. On 28 November 2021 Miss D transferred £15,000 to T. Sometime later T disappeared from social media and T's website was taken down. Not only has Miss D lost a huge sum of money, but the situation has also had an impact on her mental health.

On 29 June 2023, Miss D submitted a claim to Barclays that she'd been the victim of a scam. Barclays declined to refund her saying this was a civil dispute.

Miss D brought her complaint to this Service. Our investigator did not uphold the complaint. She said there was insufficient evidence to conclude that T intended to deceive Miss D from the outset and therefore couldn't say this was a scam as defined by the Contingent Reimbursement Model (CRM) Code.

Miss D said she was in a vulnerable position and targeted by T at the time. Miss D said she was exploited by someone with a clear pattern of fraudulent behaviour. She explained that T is currently under investigation by the police and T has targeted multiple victims.

As the complaint could not be resolved informally, it has been passed to me for decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've reached the same conclusion as our investigator broadly for the same reasons.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where I can't know for certain what has or would have happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

I'm sorry to hear about the situation Miss D has been left in. She paid a considerable sum of money for an investment opportunity, yet it seems she has not received any returns or her initial investment back. I am also sorry to hear about the impact all of this has had on her.

It's clear that Miss D feels strongly that T has tricked her. From her perspective, T never invested her money and is now uncontactable. But I don't have the power to decide any dispute between Miss D and T. My role is limited to looking at whether Barclays has treated Miss D fairly.

Barclays was under a range of other duties and obligations at the time, including to be on the lookout for payments that were unusual or out of character with the aim of preventing customers from falling victim to fraud and scams.

It was also a signatory to the CRM Code at the time the payment was made. In certain circumstances, that Code can entitle a customer to be reimbursed by banks or building societies after they've fallen victim to an APP (authorised push payment) scam.

I've thought about whether Barclays has any obligation to refund the losses as a result of the CRM Code that it was signed up to. But the CRM Code is explicit that it doesn't apply to "private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services ... but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier."

In order for me to conclude that the payment Miss D made was part of an APP scam and that Barclays should refund her, I'd need to be reasonably satisfied from the available evidence that T was not legitimate and had set out to defraud Miss D from the outset. But I don't think, based on what I know, that I can safely conclude that.

The CRM Code defines as an APP scam as where a customer was deceived into making a payment to another person for what they thought were legitimate purposes but turned out to be fraudulent. In this context, that would mean that the very purpose for which T obtained the payment would need to be different to what Miss D believed it was for, due to dishonest deception.

Whilst I am unable to share details about a third party and the nature of their relationship with their bank, the evidence I've seen, regarding the beneficiary account, indicates that the account was being used for investment trading. I can't follow the exact trail for the money Miss D invested but the evidence I have doesn't lead me to conclude that Miss D has been the victim of a scam. Whilst there have been other similar claims, it's possible T simply ran into financial difficulty.

I am aware there is an investigation into T. I also appreciate contrary to the claims made by T - the regulator has confirmed it was not investigating T. I also appreciate that T was not authorised to carry out regulated activity. That said, investing in cryptocurrency is not a regulated activity. So this on its own does not mean T was operating as a scam. Whilst other matters might ultimately show that T is of poor character; it does not necessarily show in relation to the specific transaction carried out in this particular case that it was made to an APP scam.

Whilst some of the points raised could be an indicator of fraud, particularly if money was never intended to be used for genuine reasons, it could also simply be poor business practice. I accept that it's possible that T misappropriated the funds and they were not used for the intended purpose. But I can't exclude the possibility that the investment failed for reasons not relating to fraud. And with the information that's currently available to me, I haven't seen any evidence that Miss D's funds were used in a way that meets the definition of an APP scam and that her funds were used for fraudulent purposes.

On balance, I am unable to safely say this situation meets the definition of an APP scam. I simply can't safely conclude that T took Miss D's money without ever having any intention of investing it. T may not have produced returns and/or returned the investment and is now uncontactable but that's not enough to say this was an APP scam. It is very difficult for me to establish that T was willingly and intentionally acting fraudulently by deliberately setting out to scam Miss D at the time the payment was made. I don't have the power to compel T to provide me with evidence, or to cross-examine her or to have her cross-examined in order to try and establish what her true intentions were.

It's possible that further information may come to light in the future or as the police investigation is concluded but, for now, I'm not persuaded Miss D is the victim of a scam. As the investigator mentioned – if material new evidence comes to light following the police investigation – Barclays should consider if it makes a difference.

As such, I don't think it is unfair for Barclays to conclude the payment made falls outside of the scope of the CRM Code. I am sorry to have to deliver this news to Miss D. I know this wasn't the answer she was hoping for. It is clear that this situation and its aftermath, has been and continues to be very difficult for her. But my role is limited to determining whether Barclays bears any responsibility for Miss D's financial loss. I haven't seen convincing evidence that this came about as the result of an APP scam. It follows I can't say the bank ought reasonably to be held liable for Miss D's losses.

For the reasons I have explained, I consider that the payments Miss D made fall outside of the scope of the CRM Code. I've not seen any evidence to show that Barclays has acted incorrectly or that it ought to have done more than it did to assist Miss D when it learnt of the situation that she was in. Nor can I see there are other grounds on which I could say that Barclays should, fairly and reasonably, bear the responsibility for Miss D's loss.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 3 December 2025.

Kathryn Milne
Ombudsman