

## **The complaint**

Mr M complains that Barclays Bank UK PLC (“Barclays”) hasn’t treated him fairly following an authorised push payment (APP) investment scam he fell victim to in 2021. He states the bank should reimburse the money he lost along with compensatory interest, given he’s been unfairly deprived of his funds.

## **What happened**

The full details of this complaint are well known to the parties and have been previously set out by the investigator. So, I’ll only provide an overview and focus on giving my reasons for my decision.

In 2021, Mr M made several payments totalling around £383,000 from his Barclays bank account. These were made in connection with an investment opportunity promoted by an individual “F”, but it subsequently turned out to be a scam.

F was arrested in November 2021, with law enforcement and the Financial Conduct Authority (“FCA”) carrying out an investigation into the actions and practices of F.

Mr M made a scam claim to Barclays in December 2021 and requested a refund under the Lending Standards Board’s Contingent Reimbursement Model (“the CRM Code”). The CRM Code was a voluntary code, that Barclays was a signatory of, which required firms to reimburse customers who had fallen victim to an APP scam in all but a limited number of circumstances.

Later in December 2021, the FCA advised victims that the court had granted a restraint order under the provisions of the Proceeds of Crime Act 2002. The purpose of the restraint order was to preserve available assets so that victims could be compensated by the court if F was convicted.

Barclays said it couldn’t investigate Mr M’s scam claim as the FCA’s investigations into F were under way. It said it would get back in touch with him once those investigations had concluded.

In June 2022, Mr M made a complaint to Barclays. But the bank’s position remained unchanged. Mr M referred his complaint to this service later that year.

In December 2023, following the investigation by law enforcement and the FCA, the FCA brought charges against F for committing fraud by false representation and for carrying out activity without authorisation. F pleaded guilty to fraud, and in May 2024 he was sentenced to six years imprisonment.

Later in 2024, the FCA wrote to victims about the impending confiscation and compensation order. The regulatory body said that where losses had been established, it had been agreed that signatories of the CRM Code would make a 40% reimbursement (of the losses incurred) through the banking system. And any remaining losses due to be reimbursed by the firm

would be once disbursement through the confiscation and compensation process was complete.

A confiscation order against F was granted by the court in January 2025. And it was ordered that the funds subject to the confiscation order be paid in compensation to the victims of F.

Since then, Barclays has made the interim payment of 40% of Mr M's losses. It has also said it will reimburse any outstanding losses once the amount Mr M is due under the confiscation and compensation process is received.

Our investigator investigated Mr M's complaint and ultimately concluded that Barclays ought to have recognised sooner that he had fallen victim to an APP scam and his payments were covered under the CRM Code. But the investigator also thought that while the bank could have reached its outcome to accept Mr M's claim sooner, given the ongoing court process in relation to the frozen assets it wouldn't have been in a position to reimburse him sooner. For that reason, the investigator also didn't think it would be fair to recommend that Barclays pays 8% simple interest to the amount it needs to refund.

Mr M remains of the opinion that he has been, and is still being, treated unfairly by Barclays. He's asked for an ombudsman's decision. In summary, Mr M states:

- The CRM Code, as it was in January 2022, required Barclays to make a decision on his complaint within 15 (or up to 35) business days, but the bank didn't.
- Barclays could have established the amount it needed to reimburse Mr M within a few days of him making his complaint in late 2021; there would have been no need to establish any compensation due to Mr M as the FCA would not have needed to include his loss in the overall total of net losses due given he would have already been fully reimbursed.
- By not reimbursing him in line with the CRM Code, Barclays has deprived him of his money for over 3.5 years and must now pay interest for the entire period.

### **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.

I'd like to start by acknowledging that the matter has been ongoing for some time, so I want to thank both Mr M and Barclays for their patience.

I'm very aware that I've summarised this complaint and the responses briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I consider to be the crux of the complaint. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair and reasonable outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

The crux of Mr M's outstanding concerns is that he believes reimbursement should have occurred sooner and that the failure to do so has meant he's out of pocket. This has been a lengthy process for Mr M. First, he was the victim of a scam. Then there was an investigation into F which resulted in charges being brought against him. This was followed by court proceedings which involved hearing and sentencing, before the granting of the confiscation order against F and undertaking of the disbursement process. So, from being scammed,

through to trying to recover his losses, I can imagine that this has been a challenging period for Mr M.

Having thought carefully about Barclays's actions, I'm upholding Mr M's complaint in part. I'm satisfied he was the victim of an APP scam and should be reimbursed. But I'm also satisfied that Barclays should only reimburse Mr M's outstanding loss once the disbursement process has been finalised. And I'm not satisfied that Barclays is required to pay any additional compensatory interest to Mr M for delays up to that point. I consider it would be unfair to do so as the amount it is required to refund under the CRM Code wasn't confirmed. I appreciate that this will come as a disappointment to Mr M, but I'll explain why.

Mr M is correct in saying that the CRM Code is relevant. As I've mentioned, Barclays was signed up to the CRM Code and it required firms to reimburse customers who had been the victims of APP scams in all but a limited number of circumstances. The CRM Code also set out timescales that firms should adhere to when assessing claims. So, I can certainly understand Mr M's strength of feelings here and I can see why he considers he should have already had his claim reviewed and should have been reimbursed, and that this should have happened in January 2022, shortly after he made a scam claim to Barclays.

And I agree and acknowledge that while there was an ongoing investigation by law enforcement and the FCA into the actions of F, there was sufficient evidence to support Mr M's allegations that he had fallen victim to the scam orchestrated by F – the most significant of which was F's confession after he was arrested. So, Barclays, to my mind, could have accepted Mr M's scam claim far sooner than it did.

And I also agree that at the time Mr M raised the scam claim with Barclays, there were no provisions within the CRM Code that allowed for it to delay giving its answer to his claim due to any ongoing investigation by a third-party statutory body (such as the police or the FCA). These provisions came into effect within the CRM Code shortly after, in April 2022, and they were implemented as a result of the type of scam Mr M had fallen victim to and similar other large-scale scams where there were other statutory bodies carrying out an investigation into an alleged scam.

That being said, the test I must apply here is whether it's fair and reasonable to conclude that any failings by Barclays in it not accepting Mr M's claim under the CRM Code has meant it is at fault for not reimbursing his funds sooner and has therefore caused him to be deprived of those funds as a result.

Mr M considers Barclays is at fault as it should have reimbursed him under the CRM Code, and it has therefore deprived him of those funds. He submits that as he's been deprived of the funds additional compensatory interest should be awarded from the date Barclays should have accepted the claim under the CRM Code (considering the applicable timescales) up until the funds are reimbursed. But I disagree.

While I accept Barclays could have concluded the outcome of the scam claim under the CRM Code sooner than it did (by accepting that Mr M had fallen victim to an APP scam), I don't think any failings by the bank in this regard meant it would have been in a position to reimburse Mr M his loss at that time.

I say this because during the investigation which led to F's arrest, it quickly became apparent that there were substantial losses, widespread victims and complex account activity at play. Some victims received returns that meant they weren't at a financial loss and some profited – such is the nature of a Ponzi scheme / trading scam. Also, some victims invested on behalf of others, so their actual loss wasn't immediately apparent and needed to be established or

further broken down. And some victims invested not through monetary means but via other assets.

The flow of funds in and out and how much went to whom or how much some victims received in supposed returns, meant establishing victims' losses was complex. And this led to the FCA reaching out to victims and working with the relevant banking providers to establish each victim's actual loss. It is only because of this widespread formal undertaking that victims' actual losses are being established. And this was required for it to be known what amount each victim would receive through disbursement under the confiscation and compensation order, and what amount might therefore be reimbursed by firms under the CRM Code.

I appreciate that Mr M believes Barclays could have simply requested details of payments made and returns received and established the amount it needed to refund when he made the scam claim. It might well be that Mr M's net loss that has been established via the FCA undertaking has turned out to be the same amount he says he would have told Barclays had it requested further details at the time of the claim being made. But that's not the case for many individuals who also fell victim to this scam. So, I'm not persuaded – given the complexities here – that the bank could have definitively known what Mr M's loss was at time of the claim. And I'm mindful that it wouldn't be fair or reasonable for a business to pay more than that is required. In the circumstances, I'm satisfied that it was fair for Barclays to wait for the regulator to complete its work in establishing victims' losses before refunding Mr M.

I've thought about whether it would be fair for Barclays to have reimbursed Mr M in full once his loss was confirmed. However, the confiscation and compensation order has already been granted in court. Given that it is known there are frozen assets that are to be realised for disbursement to victims, I don't think it is unfair for that process to take place before reimbursement by Barclays under the CRM Code. This is because any amount Mr M would be awarded through that process would reduce the amount it needs to reimburse.

It is possible that Barclays could have taken an assignment of any rights that Mr M had to any funds disbursed as a result of the confiscation and compensation order. That *might* result in Mr M receiving reimbursement sooner. However, this outcome is far from certain given an assignment of rights will invariably involve legal considerations and may even require legal advice for either of the parties. Given that, I don't think it is unfair or unreasonable for any reimbursement under the CRM Code to be contingent on knowing what amount will be disbursed under the legal process.

So, Barclays, despite any failings in not adhering to the provisions of the CRM Code, was not – and I believe is still not – in a position to reimburse Mr M. Once Mr M receives any funds through that legal process, the actual amount left for Barclays to reimburse will be confirmed. And, as I've mentioned, Barclays has said it will seek to reimburse that remaining loss under the CRM Code.

It's for the same reasons that I'm not in a position to make a formal direction to Barclays to reimburse Mr M a definitive sum. Given the external factors at play, the only determination or award I can reasonably make is that Barclays reimburses Mr M his remaining loss once the disbursement process has been completed and what he's due under the CRM Code is confirmed.

Our power to award interest comes from s229(8) of the Financial Services and Markets Act 2000. DISP 3.7 explains the types of awards (and directions) we may make. The power is a discretionary one and we decide cases on a fair and reasonable basis.

Given I'm satisfied that any delay in reimbursement was outside of Barclays's control due to the complex nature of these events, I'm not persuaded that it would be fair to award compensatory interest to the amount the bank needs to reimburse for any delays up to that point.

I acknowledge that there may be some victims who have already received a refund from their payment service provider. I do appreciate that this is frustrating for Mr M. I can't comment on why a payment service provider took any action it did. I can only consider the complaint before me. And for the reasons I've given above, in the circumstances of this complaint, I consider it fair that Barclays awaits the completion of the disbursement process before reimbursing Mr M what he is due under the CRM Code.

Should Mr M, after the disbursement process has been completed, have any questions about the amount provided to him under this process, then he can contact the FCA using the contact details the regulator has provided victims.

And should Mr M, after Barclays has refunded the remaining loss owed to him under the CRM Code, have any concerns about the amount paid or the length of time it took Barclays to reimburse him after the completion of the disbursement process, then he can complain to Barclays about those concerns in the first instance. And if unhappy, Mr M can refer the matter to our service.

In summary, I acknowledge that this has been an extremely lengthy and frustrating process for Mr M, and he's doing all he can to try and get his money back. But for the reasons given above, while I accept that Barclays could have accepted the claim sooner than it did, I'm satisfied that it wouldn't have been in a position to reimburse Mr M then. And for the same reasons, I don't consider it would be fair or reasonable to award or direct Barclays to pay any additional compensatory interest for delays caused by Mr M's loss not being confirmed.

### **Putting things right**

To put things right, Barclays Bank UK PLC needs to reimburse Mr M his remaining loss, once the disbursement process has been completed. It should do so within 28 days of knowing what it is required to reimburse him following the completion of the disbursement process.

If Barclays Bank UK PLC doesn't reimburse Mr M within 28 days of knowing what it is required to reimburse him following the completion of the disbursement process, then it should pay 8% simple interest per year on the amount it was required to reimburse Mr M (less any tax lawfully deductible) from day 29 until the date of settlement.

### **My final decision**

For the reasons given, my final decision is that I uphold this complaint in part and require Barclays Bank UK PLC to put things right for Mr M as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 August 2025.

Gagandeep Singh  
**Ombudsman**