

The complaint

Mr N complains that Barclays Bank UK PLC ('Barclays') won't refund the money he lost as the result of a scam.

What happened

Mr N says that between March 2021 and November 2021, he made payments of over £200,000 from his Barclays account, as part of investments he made through a company who I'll refer to as C.

These are the payments that Mr N made.

Date	Details of transaction	Amount
20.5.2021	Payment to V	£10,000
21.5.2021	Payment to V	£10,000
24.5.2021	Payment to V	£10,000
24.5.2021	Payment to V	£10,000
25.5.2021	Payment to V	£10,000
27.5.2021	Payment to V	£10,000
27.5.2021	Payment to V	£10,000
11.6.2024	<i>Credit received from E</i>	<i>£920 cr</i>
17.6.2021	Payment to E	£10,000
18.6.2021	Payment to E	£10,000
18.6.2021	Payment to E	£10,000
21.6.2021	Payment to E	£10,000
2.7.2021	Payment to E	£10,000
16.7.2021	Payment to G	£4,890
19.7.2021	Payment to G	£10,000
19.7.2021	Payment to G	£10,000
20.7.2021	Payment to G	£722.50
20.7.2021	Payment to G	£10,000
26.7.2021	Payment to G	£9,387.50
26.7.2021	Payment to G	£10,000
2.8.2021	Payment to G	£10,000
2.8.2021	Payment to G	£14,150
3.8.2021	Payment to G	£5,850
12.8.2021	Payment to G	£14,796

In July 2021, Mr N received an email from C which said they weren't eligible to list publicly, so they were returning investors' funds. It said Mr N had invested £135,000 with a 14% return and a separate £50,000 with no return specified. The email said that Mr N would be refunded for all of the payments he'd made as part of his investments with C.

Mr N has also provided an email which says he has to pay C £24,890 in fees, to release his investment.

In May 2022, a notice for compulsory strike off was issued for C. In October 2022, there was an order of the court to wind up C.

The Financial Services Compensation Scheme (FSCS) carried out an investigation into C and several linked companies, which concluded in August 2023. According to their website, claims can be submitted to the FSCS for consideration.

Mr N raised a fraud claim with Barclays through a professional representative, asking that they refund him.

Barclays investigated Mr N's claim and agreed to refund 50% of the payments he made, being £109,898. Barclays were satisfied that Mr N had been the victim of a scam and under the Contingent Reimbursement Model Code (CRM Code) was entitled to a refund. But they didn't refund Mr N in full, saying he hadn't done sufficient checks on the companies he made the payments to.

Mr N wasn't happy with Barclays' response, so he brought a complaint to our service.

An investigator looked into Mr N's complaint and didn't uphold it. The investigator wasn't satisfied that Mr N had proved that the payments he made were linked to investments with C or that he'd been the victim of a scam. So, they felt the 50% refund made by Barclays was fair.

Mr N disagreed with the investigator's view and asked for an ombudsman to review his case. Mr N says all of the payments he made were related to his investment with C and should be considered under the CRM Code. C had no intention of being a legitimate company and their sole purpose was to act fraudulently.

Having reviewed the case, I reached the same overall answer as the investigator, but for different reasons. So, I issued a provisional decision on 26 June 2025, giving both parties a chance to respond before I issue a final decision.

My provisional decision

In my provisional decision I said:

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payments were authorised. So, the starting position is that Barclays isn't liable for the transactions.

Has Mr N evidenced that the payments he made were part of his investment with C?

As part of his evidence, Mr N has provided emails from C with payment requests and which provide the bank details for V, E and G. Also, the references that he is asked to use on these payments, match the references on his Barclays statement. So, I'm satisfied that it's more likely than not Mr N did make all of the payments from his Barclays account as part of his investments with C, or as requested by C.

Mr N received an email on 15 July 2021 from C, saying his investment would be fully refunded. However, Mr N made a significant number of payments after this date and hasn't evidenced what these payments were for. The email references fees totalling £24,890, but the payments Mr N made after this date were in excess of £50,000 from his Barclays account as well as additional payments from an account held with another bank.

It's unclear if these additional payments, were related to new investments with C, or a recovery scam in order to try and release his funds.

Is Mr N entitled to a refund of more than 50% of his payments under the CRM Code?

Barclays are a signatory of the CRM Code, which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams, in all but a limited number of circumstances.

The CRM Code defines what is considered an APP scam as "where the customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent".

And, the CRM Code does not apply to private civil disputes, such as where a customer has paid a legitimate supplier for goods, services or digital content but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.

In order to decide whether the circumstances under which Mr N made the payments to C meets the definition of an APP scam, I need to consider:

- The purpose of the payments and whether Mr N thought this purpose was legitimate.
- The purpose the recipient (C) had in mind at time of the payments and whether this was broadly in line with what Mr N understood the purpose to be.
- And, if I decide there was a significant difference in these purposes, whether I'm satisfied that was as a result of dishonest deception.

Mr N says he made the payments as part of investments he set up with C. For some of the payments I'm satisfied that Mr N had no reason to believe the purpose wasn't legitimate. However, this doesn't apply to the later payments he made, which may be related to fees to release his investment. I say this as I haven't seen any evidence that supports the reason or purpose of those payments.

For the payments made as part of his original investments, I've gone on to consider what purpose C had in mind and whether it was in line with what Mr N thought.

In reaching an answer on what purpose C had in mind, I've considered the wider circumstances surrounding C and any linked businesses. The key information to this case is:

- C was a UK incorporated company set up in July 2019. Until May 2022, when a

notice for compulsory strike off was issued, there is no indication that C wasn't operating as a legitimate company.

- For some of his investments with C, Mr N made payments from an account he held with another bank to a separate company 'M' (who he didn't pay from his Barclays account). M was authorised by the CSSF – which is the Luxembourg financial regulator. This suggests that M are a genuine firm who were operating legitimately.
- While the FSCS has carried out an investigation into C, I haven't been given or seen any evidence that they believe C were operating fraudulently or obtained investor's funds through dishonest deception.
- A failed investment or business doesn't necessarily mean that an investor was the victim of a scam. Legitimate businesses can face financial difficulties or mismanagement in circumstances which wouldn't meet the CRM Code definition of an APP scam.
- Mr N hasn't shown that C took his funds with a different purpose in mind, and that the funds weren't used in line with the agreed purpose.

Based on the evidence Mr N has provided I'm not satisfied that I can fairly say C took his funds with a different purpose in mind or through dishonest deception.

And, with the limited information available about the reason for the later payments, I can't fairly say that Mr N made all of the payments for a legitimate purpose which turned out to be fraudulent.

So, I'm not satisfied that Mr N's payments are covered by the CRM Code (albeit Barclays accepted they were) and I wouldn't have recommended a refund under it.

But, I also have to consider whether Barclays could've prevented Mr N's loss at the time the payments were made and whether he is entitled to a further refund on that basis.

Is there any other reason that I can fairly hold Barclays liable for Mr N's loss?

I would expect Barclays to be on the lookout for, and to protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character. In situations where potential fraud is identified, I would expect Barclays to intervene and attempt to prevent losses for the customer.

Based on Mr N's bank statements, I'm satisfied that the first payment he made was unusual and out of character. I say this as his account had little to no activity prior to May 2021. So, I would've expected Barclays to have identified a potential risk of financial harm and contacted Mr N to discuss the payment.

Barclays say most of the payments made in May and June were identified as potential fraud, but they don't have any evidence of interventions they may have made. Barclays do have a record of a call with Mr N on 16 July 2021 in relation to a payment he was making, but the notes don't say that Mr N was given a relevant scam warning.

So, I need to decide if Barclays had intervened, what should that intervention have looked like and would it have prevented Mr N's loss.

If Barclays has called Mr N I would've expected them to ask questions like; how Mr N found the investment, what research he had done on C, whether he had checked the Financial

Conduct Authority's website, and what returns he was expecting. I would also expect follow up questions to be asked based on the answers Mr N gave.

I think it's more likely than not Mr N would've told Barclays that he was found C through a venture capital company, he'd checked C's website and that there were no warnings on the FCA's website. These are the checks Mr N said he did in his complaint submission.

C was also a UK incorporated company, and I haven't seen any evidence that there was any concerning information available online at the time Mr N made his payments. But, I think Barclays may have been concerned about Mr N using payees and bank details for companies that weren't C and may've recommended that Mr N do checks on those companies.

If Mr N had done checks he would've seen that that E and G, while UK incorporated companies, had dissolved - so he shouldn't be making payments to them. Also, that the nature of the businesses didn't match with the type of investments he thought they were offering.

I think it's more likely than not Barclays would've been concerned and should've provided Mr N with a relevant scam warning. I think it's possible that this could've prevented Mr N's loss, so I now need to consider whether Mr N should share responsibility for his loss – which would reduce any refund he is due.

Would it have been reasonable for Mr N to share responsibility for his loss?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

Mr N has provided very limited evidence about the investments he was making with C. He has provided two investment certificates and some emails, but there is no marketing material or information about what the investments entailed. Mr N says that most of the discussions about the investments was done by phone, but he has limited recall of what was discussed.

Mr N says he did checks on C, but I can't see that he did any checks on V, E or G which I think a reasonable person would have completed if they were making payments directly to those companies. Also, Mr N made a number of payments after he received the email from C on 15 July 2021, when he was notified that they were going to return investors' funds. There is no evidence of why he continued to make payments after that date.

Mr N says payments related to fees to release his investment funds, but this isn't supported by any evidence. The only evidence we have, as referred to above, asks for payment of £24,890.

Based on the evidence, I'm not satisfied that Mr N took reasonable steps to ensure that the investments or reasons for the payments were legitimate. So, it's fair for him to share responsibility for his loss with Barclays.

This means, that while I'm satisfied that Barclays could've prevented Mr N's loss, I wouldn't have recommended they refund any more than 50% of the payments he made – which they've already done.

I'm really sorry to disappoint Mr N as he has suffered a significant loss. But I'm not satisfied that I can fairly hold Barclays liable for Mr N's outstanding loss.

My provisional decision was that I didn't intend to uphold this complaint.

Responses to my provisional decision

Barclays responded to say they accepted my provisional decision.

Mr N's representative advised our service they are no longer representing Mr N. So, I provided a one-week extension to allow Mr N time to provide his response. But we didn't receive a response from Mr N.

Under the Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.15, says, if a complainant (Mr N) fails to comply with a time limit, the ombudsman may proceed with the consideration of the complaint.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my final 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.

As neither party have provided any new evidence for me to consider, I see no reason to reach a different answer than I did in my provisional decision.

In summary

Based on the evidence, I'm satisfied that it's more likely than not, all of the payments made from Mr N's Barclays account were made as part of a scam.

But I'm not satisfied that Mr N has evidenced that his payments meet the definition of an APP scam as defined by the CRM Code. I say this as Mr N hasn't shown that his payments were taken for a different purpose by C, or that the funds weren't used for the intended purpose. Also, for the later payments, Mr N says they related to recovery of his investment losses – but he hasn't provided any evidence supporting this. So, for the later payments, I'm not satisfied that Mr N has shown he made them for what he believed was a legitimate purpose. So, Mr N isn't entitled to a refund under the CRM Code.

I also considered whether Barclays should've been concerned when Mr N made the payments and whether they could've prevented his loss. Barclays intervened on most of the payments Mr N made, but I'm not satisfied that their intervention went far enough. I say this as I haven't seen evidence that Barclays gave Mr N a scam warning during their discussions. Also, most of the payments Mr N made were to companies other than C and I think Barclays should've recommended that Mr N complete checks on those other companies.

If Mr N had done additional checks, I think it's more likely than not he would've seen that E and G were dissolved companies. And, aware of that information, I think Mr N wouldn't have made the payments. So, Barclays should refund the payments.

However, I'm satisfied that it's for Mr N to share responsibility for his loss with Barclays, as I'm not satisfied that he did sufficient checks before making the payments. While Mr N completed checks on C, I can't see that he did any checks on V, E or G. Also, Mr N made a number of payments after he received an email which said C were going to return investors' funds. Mr N says some of the payments relate to him trying to recover his losses from

investing with C, but there isn't any evidence to support this or to show why he believed these companies were legitimate.

On that basis, I'm satisfied it would be fair for Barclays to refund 50% of Mr N's loss – which they've already done. So, I can't fairly ask Barclays to refund any more.

My final decision

My final decision is that I don't uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 14 August 2025.

Lisa Lowe
Ombudsman