

## The complaint

Mr A complains that Barclays Bank UK PLC ('Barclays') won't reimburse the funds he lost when he fell victim to a scam.

## What happened

Mr A says that a friend of his introduced him to an online trading investment opportunity through a company I'll call C. He couldn't find any information about C but was persuaded to invest an initial amount of £500. The first payment was reversed, and Mr A was provided with new account details for a company. He says he was also added to a messaging group of other investors who discussed the profit they were making and was in regular contact with a trader through calls and messages.

I have set out in the table below the transactions Mr A made on the advice of a representative of C.

Transaction	Date	Amount	Payee
<i>Reversed</i>	16/04/24	£500	<i>Individual 1</i>
1	16/04/24	£500	Company 1
2	18/04/24	£500	Company 1
3	18/04/24	£1,000	Company 1
<i>Blocked &amp; not sent</i>	19/04/24	£2,500	<i>Company 1</i>
4	22/04/24	£700	Individual 2
5	22/04/24	£1,100	Individual 2
6	24/04/24	£1,500	Individual 2
7	29/04/24	£600	Individual 3
8	29/04/24	£600	Individual 3
<i>Reversed</i>	29/04/24	£1,000	<i>Individual 2</i>
9	29/04/24	£1,000	Individual 4
10	03/05/24	£1,000	Individual 3

Barclays intervened when Mr A attempted to make a payment of £2,500 on 19 April to a company. Mr A explained that he was sending funds to the company to trade on his behalf. The Barclays agent explained to Mr A that the company he was attempting to transfer funds to wasn't related to trading and he was being scammed. Mr A was told to have no further contact with those involved in the scam, and a scam claim was raised in respect of payments one, two and three. Barclays was able to recover £807.96, which was credited to Mr A's account on 1 May 2024.

Mr A says that the scammers then persuaded him to pay further amounts to invest and withdraw his profit. He realised something was amiss when he was unable to withdraw any funds. Mr A raised a further scam claim on 30 May 2024.

Barclays didn't agree to reimburse Mr A's loss. It said that it correctly processed the transactions, but Mr A provided an incorrect payment purpose when asked to provide one, and didn't complete any research. Barclays also noted that Mr A made further payments after he had made a scam claim.

Mr A wasn't happy with Barclays' response and brought a complaint to this service.

The investigator who considered this complaint didn't recommend that it be upheld. He said Barclays could fairly rely on an exception to reimbursement set out in the CRM Code.

Mr A, through his representative, didn't agree with the investigator's findings. He said that Barclays failed in its duty to protect him as it allowed further payments to leave his account after it told him he was the victim of a scam on 19 April 2024.

### **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.

In deciding what's fair and reasonable, I'm 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 time.

In broad terms, the starting position in law is that Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. It's not disputed that Mr A made and authorised the payment, although I accept that when he did so, he didn't think his funds were at risk.

When thinking about what is fair and reasonable in this case, I've considered whether Barclays should have reimbursed Mr A under the provisions of the CRM Code, which Barclays was signed up to, and whether it ought to have done more to protect him from the possibility of financial harm from fraud.

The CRM Code requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams like this, in all but a limited number of circumstances which I have set out below:

- The customer made payments without having a reasonable basis for believing that: the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.
- The customer ignored what the CRM Code refers to as an "Effective Warning" by failing to take appropriate action in response to such an effective warning.

There are other exceptions that do not apply to this case.

#### *Did Mr A have a reasonable basis for belief?*

Taking into account all of the circumstances of this case, including the characteristics of Mr A and the complexity of the scam, I think Barclays can fairly rely on an exception to reimbursement set out in the CRM Code. I'm not satisfied that Mr A had a reasonable basis for believing the payments were for genuine services.

Mr A's own account of what happened says that he was directed to C's website by the scammer and was happy with what he saw, but he was unable to find any other information about C. I think this should have concerned him. He was initially asked to pay the account of an individual, which is strange if he was dealing with a company. The first payment was

returned, and Mr A was given account details for a company. But the company was totally unrelated to investing.

After the first three payments, Mr A had a conversation with a member of the fraud team at Barclays. In the call, Mr A was assured that the investment was “100% a scam” and that the scammers would do everything they could to persuade him it was genuine. It’s very clear from the recording that Mr A accepted that he was the victim of a scam. The call was transferred so that Mr A could report the scam. But even after this call and the unequivocal advice he was given that he was being scammed, Mr A made further payments.

Overall, I’m satisfied Barclays can fairly rely on an exception to reimbursement in the CRM Code.

*Should Barclays have provided effective warnings or intervened?*

The CRM Code also sets out standards that firms are required to meet. Where these are not met, the firm may still be liable to reimburse a victim in part, even where it has been able to establish that an exception to full reimbursement can be fairly applied (as is the case here). Those requirements include the provision of what the Code defines as an “Effective Warning” when a firm identifies an APP scam risk in relation to a payment.

The CRM Code requires that warnings be both specific to the scam risk identified and impactful – to positively affect a customer’s decision-making in such a way that the likelihood of an APP scam succeeding is reduced. The CRM Code goes on to say this should include steps to ensure that the customer can reasonably understand the consequences of continuing with an irrevocable payment.

I’m not persuaded that Barclays ought reasonably to have identified an APP scam risk when Mr A made payments one to three. The value of each transaction was relatively low, and I don’t think Barclays ought to have been concerned about a heightened risk the payments related to a scam. This means that under the CRM Code, Barclays met its standards in respect of these transactions and isn’t responsible for them.

When Mr A attempted to make a payment of £2,500 on 19 April 2024, I think Barclays acted reasonably in recognising a scam risk. He was attempting to make a fourth payment to a newly set up payee in the space of a few days and the total transferred to the company would have been £4,500. Barclays recognised the risk posed by the payment and spoke to Mr A about it. As I have said above, during the call the Barclays agent said Mr A was definitely being scammed, the scammers would come up with all sorts of reasons to get him to pay more, and Mr A should cease all contact and delete the numbers he’d been contacted from.

After this intervention by Barclays, Mr A made a £700 payment to a new payee from a different Barclays account using the payment reason of paying friends and family. Barclays provided a warning tailored to this payment reason, which I think was a proportionate response.

Mr A then made two further payments to the same payee. I appreciate that Mr A thinks that Barclays should have done more given its knowledge that he had fallen victim to a scam shortly before. But I think Mr A prevented Barclays from providing an effective warning by giving an incorrect payment reason. And given Mr A’s clear understanding when he spoke to Barclays’ staff on 19 April 2024, and the emphatic advice given to him about scam prevention, I think Barclays acted reasonably in processing Mr A’s payment requests. During the call, Mr A was told that the scammers would use every tactic they could to persuade him they were legitimate, and he should cease all contact with them. I think Barclays could reasonably be reassured that Mr A understood he was the victim of a scam and wouldn’t continue to make payments.

Subsequent transactions remained relatively low in value and each time Mr A added a new payee he said he was paying friends and family rather than investing. Barclays is required to provide a warning tailored to the scam reason identified, which is what it did.

Given what I have said above about intervention and warnings, it follows that I'm not persuaded Barclays failed to identify out of character transactions that might indicate Mr A was falling victim to a scam.

Barclays attempted to recover Mr A's funds but was only able to recover £807.96 of the amount initially reported and nothing more in respect of payment four onwards. Given the length of time that elapsed from payment four to the reporting of these further payments it was unlikely any funds would remain.

Overall, whilst I am sorry to hear about Mr A's loss, I can't fairly require Barclays to reimburse him.

### **My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 December 2025.

Jay Hadfield  
**Ombudsman**