

The complaint

Mr E complains that Barclays Bank UK PLC ('Barclays') won't refund the money he lost to a scam.

What happened

The background is known to both parties, so I won't repeat all the details.

In summary, Mr E says that, in October 2020, he was communicating with someone (I'll call 'B') he'd met through his messaging app. He was then invited to online meetings where he was told about an investment opportunity with a trading platform ('X').

Believing that X was a legitimate and lucrative opportunity, he sent a number of payments for 'investment'. The first five payments, in October 2020, were made by card through a payment processor ('R'). The final payment, in November 2022, was sent to the personal account of an individual ('M') who Mr E says had set up the meetings and was linked to X.

He says he was led to believe he could receive 300% returns per year if he didn't withdraw his funds. And that he realised he'd been scammed when he tried to withdraw funds, which he understood had grown to £30,000 after two years, but was unable to access X's platform.

Below is the list of payments I've considered as part of this complaint.

	Date	Method	Payee	Amount
1	12-Oct-20	Card payment	R	£919.54
2	12-Oct-20	Card payment	R	£919.54
3	17-Oct-20	Card payment	R	£896.80
4	17-Oct-20	Card payment	R	£922.08
5	17-Oct-20	Card payment	R	£922.08
6	07-Nov-22	Transfer	M - personal	£998.51

A complaint was made to Barclays in October 2024 and then referred to our Service. Our Investigator didn't uphold it. In brief, she didn't think Barclays was at fault for processing any of the payments without carrying out more checks. She also said that, although the payment to M was covered by the provisions of the CRM Code, Barclays was entitled not to refund Mr E under those provisions. This was on the basis that Mr E didn't have a reasonable basis for belief that he was making a payment in connection with a genuine investment and Barclays didn't need to provide Mr E with an effective warning in the circumstances.

As the matter couldn't be resolved informally, it's been passed to me to decide.

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 decided not to uphold it for similar reasons as the Investigator.

Authorisation

In line with the Payment Services Regulations 2017, a firm is expected to process authorised payment instructions without undue delay. It's not in dispute Mr E authorised the payments in question, so the starting position is that he's liable for them in the first instance. That is generally the case, even if he made the payments as a result of a scam.

Prevention

There are some situations where I consider that a firm (like Barclays) taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious.

In this case, looking at the operation of the account, I don't consider any of the individual payments ought to have appeared as particularly concerning in value or that enough of a suspicious fraud pattern ever developed. I'm mindful that while Barclays did apply payment blocks on a couple of occasions, in 2020 and again in 2022, this was to check it was Mr E making the payments. Mr E satisfied Barclays of that at the time. And I'm satisfied those checks were proportionate, bearing in mind the level of payment risks presented.

I note Mr E believes that Barclays should have been concerned about the fact the payments were being made to R. But I don't agree. There are no official warnings published about R. Even if, as Mr E has said, he made Barclays aware, at payment 1 or 2, that he was sending funds to X, I don't think Barclays needed to question any 'mismatch' (in that he was paying R) – given that, as referred to by the Investigator, R was a legitimate payment processor offering payment solutions to various entities around the world. And while I recognise Mr E's payment to M mentioned X in the 'payment reference', I wouldn't go as far as saying it was remiss of Barclays not to have picked up on that – considering that this was a transfer and that, although this payment was blocked, this was again to check it was Mr E making it.

In other words, I can understand why Mr E wants to do all he can to recover the money he says he lost to a scam. But I'm not persuaded that Barclays was at fault for processing the payments in line with his instructions such that it'd be fair to hold it liable for his losses.

The Contingent Reimbursement Model (CRM Code)

The payment Mr E made to M was a transfer. As above, I don't think Barclays acted unfairly in processing it. But Barclays was signed up to the CRM Code. And the CRM Code required firms to reimburse customers who have been the victims of APP scams, in all but a limited number of circumstances. It didn't apply to card payments. It could apply to Mr E's transfer.

Mr E has told us that M arranged the meetings he was invited to about X. He's also said he paid M's personal account so his money could be converted to dollars and sent to X. If that was the extent of M's role, then it's questionable whether the CRM Code would apply to the transfer in November 2022. That said, even if I were to say that it does apply, under the CRM Code, a firm may still choose not to reimburse a customer if it can establish that:

- 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.

**Further exceptions outlined in the CRM Code don’t apply to this case.*

Here, again assuming Mr E’s payment to M was covered by the provisions of the CRM Code, I’m satisfied one of the listed exemptions to reimbursement under those provisions would apply. This is because, like the Investigator, I’m not persuaded Mr E had a reasonable basis for believing that the person or business he transacted with was legitimate.

I note Mr E has said the presentations by X looked professional. I also note he has, more recently, said he was reassured by online searches supporting what he’d been told about a link between X and another business that was regulated by the FCA at points. At the same time, I don’t find that the video presentation he’s provided was particularly convincing. And I can’t overlook that, according to his initial submissions, he *“did not conduct any research before sending his money”*. In addition, I can’t see that the linked business he’s referred to more recently was operating under licence at the time his payment to M came about.

I also can’t overlook that, while Mr E says he was introduced to X by B, we’ve been provided with little other details about B, including how that contact came about or any details around how the relationship evolved. There’s little for me to establish, for example, if and how any significant level of trust may have developed to the extent it was reasonable for Mr E to believe he was paying towards a legitimate opportunity.

Importantly, the video presentation Mr E has provided, talks about X *“promising”* a certain level of daily ‘interest’. He’s told us he was expecting to receive yearly returns of 300% on his ‘investment’. He decided to ‘invest’ more after he was led to believe his initial £5,000 had grown to £30,000 after two years. I note Mr E has said he could see his returns and was persuaded to leave his money for longer. Again, I’ve seen little other evidence to support that. In any event, these kinds of returns would strike most people as ‘too good to be true’. And, in my view, should still have prompted Mr E to check the legitimacy of what he was being told before sending more money. I’ve also seen no evidence of contracts or that he was given convincing information on, for example, how X could achieve such returns.

For me, given all of the above, I can’t reasonably conclude that Mr E had a reasonable basis for belief when making his payment to M. As such, I’m satisfied that Barclays would be able to rely on this exception and wouldn’t be required to reimburse that loss in full, under the provisions of the CRM Code in any event.

Barclays’ obligations under the CRM code

Even though I’m not persuaded Mr E had a reasonable basis for belief when making his payment to M, he may still be entitled to a partial refund of those lost funds if Barclays didn’t meet its obligations under the CRM Code – one of which is to provide effective warnings.

The CRM Code says that, where firms identify scam risks, they should provide effective warnings to their customers. However, I don’t think there was anything significant about Mr E’s payment to M that ought to have looked suspicious or should have stood out as unusual – considering, for example, its value – such that Barclays should have identified a scam risk.

That means I don’t think Barclays was required to provide an effective warning under the CRM Code, or that it failed to meet its obligations under the Code by not doing so. So I don’t think Barclays would be required to provide a partial refund on this basis either.

Recovery

In terms of recovery, I'm satisfied there was little Barclays could have done. For the card payments, any chargeback claim would have been out of time. For the transfer, it's unlikely any funds would have remained to be recovered by the time that the matter was reported.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 24 December 2025.

Thomas Cardia
Ombudsman