

The complaint

Mrs S complains Barclays Bank UK PLC ('Barclays') hasn't reimbursed her following an Authorised Push Payment ('APP') investment scam she fell victim to. She says Barclays should reimburse her for the money she lost.

Mrs S has brought the complaint with the assistance of a professional representative. For ease of reading within this decision, I will refer to Mrs S in the main.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

Mrs S was introduced to an investment company, which I'll refer to as 'B'. Mrs S had been receiving mentoring and attending training courses ran by a property business training and wealth education company – which I'll call 'Company A'. Mrs S says the director/owner of Company A informed people about B advising he had invested as had his family, colleagues and friends and they were all doing well from it. Mrs S, seeing other people doing well and getting returns, decided to invest also.

Mrs S's understanding was that she would enter into a 'loan agreement' with B, on the basis that her funds would then be traded on her behalf (believing B would be carrying out Foreign Exchange 'Forex' trading). The agreement Mrs S believed she had entered set out she would loan B £20,000, with B paying interest on the unpaid principle at a rate of 20% per annum. Mrs S, in November 2020, made a payment of £20,000 to B through her Barclays account and this payment was made to the details B had provided on the loan agreement. The payment was made to an accountancy firm that B was using, which I'll call 'D'.

Mrs S says she discovered it was a scam when she wasn't able to withdraw and was subsequently informed that all the money with B had been lost.

Mrs S, through her professional representative, reported the matter to Barclays in March 2025 to try and recover her funds or be reimbursed her loss under the Lending Standards Board - Contingent Reimbursement Model Code ('CRM Code'). This was a voluntary code that Barclays was a signatory of and was in force at the time Mrs S had made her payment. The CRM Code required firms to reimburse customers who had been the victims of APP scams in all but a limited number of circumstances.

Barclays issued a response on 25 March 2025 advising Mrs S claim was subject to a wider ongoing investigation and it was unable to provide an outcome. It invited Mrs S to raise a further complaint once the investigation had been concluded.

Mrs S through her professional representative referred the matter to our service in May 2025.

Upon our service informing Barclays that Mrs S had referred her complaint, Barclays provided its case file and submissions regarding the matter.

Barclays advised:

- The disputed transaction was made in branch. And due to the time that has passed, it was unable to evidence if a scam conversation took place. But it also considered that it would not have been able to identify the payment as a scam as B was a genuine company that has since gone into liquidation.
- Mrs S was not provided with a payment purpose and so was not shown an 'effective warning'. And Mrs S was not provided with a 'Confirmation of Payee' ('CoP') warning as the payment was made prior to the introduction of CoP.
- It deems the matter to be a civil dispute in that Mrs S paid a genuine company that went into administration.
- An investigation is still underway, and no criminal investigation has started. There is no evidence to suggest there was an intent to scam and so no refund will be provided as it is considered a civil matter.

One of our Investigators looked into the matter and upheld Mrs S's complaint in July 2025. In short, they explained that they considered Mrs S had fallen victim to a scam orchestrated by B. The Investigator acknowledged there was an ongoing police investigation into B but considered there was enough evidence to suggest B was more likely than not operating as a scam – and this was based on a number of factors. And while there was an ongoing police investigation, they did not think it was fair for Barclays to wait for the outcome of any police investigation to be concluded, before making a reimbursement decision under the CRM Code. They therefore assessed the complaint under the CRM Code and did not think any exceptions to reimbursement applied.

They therefore recommended a full refund of the payment Mrs S made, as well as adding 8% simple interest per year on that amount, from the date Mrs S's claim was declined under the CRM Code to the date of settlement.

Mrs S accepted the findings. Barclays responded to our service (more broadly) about B. In short it considered our service should dismiss this complaint under the DISP rules that govern our service in which it cited DISP 3.3.4A.

Our service, due to data protection laws, was unable to share with Barclays specific information about the beneficiary account(s), such as the statements we had obtained – as they had been provided by the relevant beneficiary banks in confidence to allow our service to discharge our investigatory functions, which is to enable the determination of the complaint as to whether B was likely operating a scam. But I'm aware that a summary of B's accounts and its income and expenditure was provided to Barclays in July 2025.

Barclays hasn't provided any further specific commentary regarding Mrs S's complaint.

So, as an informal agreement could not be reached, the complaint has been passed to me for a 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.

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 have been good industry practice at the time.

Barclays has, recently, advised that our service should dismiss this complaint under the rules that govern our service (the DISP Rules) citing DISP 3.3.4A which states:

"(5) dealing with such a type of complaint would otherwise seriously impair the effective operation of the Financial Ombudsman Service."

However, I'm mindful that Barclays hasn't provided any specific reasons as to why it considers our service should dismiss Mrs S's complaint. I am aware that there is an ongoing police investigation – but I don't find that that in and of itself means it would be automatically appropriate to dismiss the complaint. Our service is an informal dispute resolution provider that is fair and impartial and aims to settle disputes between businesses and consumers. I therefore have to consider the complaint before me and whether, based the evidence available, it was fair and reasonable for Barclays to decline reimbursing Mrs S under the provisions of the CRM Code. While there is an ongoing police investigation, for reasons I will go on to explain, I consider I am able to reach a final decision on what I consider is a fair answer to the complaint. So, I don't consider it would be fair or appropriate to dismiss the complaint.

Barclays was a signatory to the CRM Code. It required firms to reimburse victims of APP scams in all but a limited number of circumstances.

In considering whether the CRM Code applies to the payment Mrs S made, I have also given consideration to the fact that Mrs S paid D and not B.

The CRM Code states:

"DS2(1) This Code applies to Customers undertaking Payment Journeys as defined in DS1(2)(k)

(a) between GBP-denominated UK-domiciled accounts, by any channel of push payment available to the Customer, such as in branch, on the phone, or online.

(b) to the point of the first reception of funds in an account held by a receiving Firm (the first generation account). Firms whose accounts are utilised in the onward transmission of APP scam funds are out of scope."

Here the payment was a faster payment between GBP-denominated UK-domiciled accounts which satisfies (a). And the agreement Mrs S entered into was with B. And within that agreement, B provided the bank account details of where it wanted the funds to be paid – which was for D, an accountancy firm B was using. So, it was B's client account at D. And therefore, the account into which the funds were paid to, were solely in the control of B and not D which satisfies (b). So, I'm satisfied the payment Mrs S made is therefore within scope of the CRM Code – should I be satisfied that B were more likely than not operating a scam and the matter isn't a civil dispute.

Barclays has advised B is subject to a wider ongoing investigation and it was therefore unable to provide an outcome to Mrs S's claim. Barclays therefore considers that as it stands, B was a genuine investment opportunity that had failed. So, in essence, Barclays consider the matter to be a civil dispute between the parties – which is not something covered by the provisions of the CRM Code.

This is the main point of dispute – whether B was operating as a scam or not. I am aware (as is Barclays) that there is an ongoing police investigation into B, so I have considered whether it would be appropriate to delay my decision in the interests of fairness, as I understand that the police investigation is still ongoing.

There may be circumstances and cases where it's appropriate to wait for the outcome of external investigations. But that isn't necessarily so in every case, as it may be possible to reach conclusions on the main issues on the basis of evidence already available. And it may be that the investigations or proceedings aren't looking at quite the same issues or doing so in the most helpful way.

In order to determine Mrs S's complaint, I have to ask myself whether, on the balance of probabilities, the available evidence indicates that it's more likely than not that Mrs S was the victim of a scam rather than a failed investment. But I wouldn't proceed to that determination if I consider fairness to the parties demands that I delay doing so.

I'm aware that Mrs S first raised her claim with Barclays in March 2025, and I need to bear in mind that this service exists for the purpose of resolving complaints quickly and with minimum formality. With that in mind, I don't think delaying giving Mrs S an answer for an unspecified length of time would be appropriate unless truly justified. And, as a general rule, I'd not be inclined to think it fair to the parties to a complaint to put off my decision unless, bearing in mind the evidence already available to me, a postponement is likely to help significantly when it comes to deciding the issues.

I'm aware the above ongoing processes might result in some recoveries for B's 'investors'. In order to avoid the risk of double recovery, I think Barclays would be entitled to take, if it wishes, an assignment of the rights to all future distributions to Mrs S under those processes in respect of this investment before paying anything I might award to her on this complaint.

For the reasons I discuss further below, I don't think it's necessary to wait for the outcome of the ongoing police investigation for me to fairly reach a decision on whether Barclays should reimburse Mrs S under the provisions of the CRM Code.

In order to reach a decision, I've considered the definition of an APP scam under the CRM Code. Under DS1(2) an APP scam is defined as:

“...a transfer of funds executed across Faster Payments, CHAPS or an internal book transfer, authorised by a Customer in accordance with regulation 67 of the PSRs, where:

(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or

(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”

DS2(2)(b) explains that 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”

The CRM Code only applies if the definition of an APP scam is met, as set out above. As I've also set out above, the CRM Code doesn't apply to private civil disputes.

So, it wouldn't apply to a payment made for a genuine investment that subsequently failed. As there's no dispute that Mrs S's funds were transferred to the intended recipient, I don't consider section DS1(2)(a)(i) of the definition to be relevant to this dispute. Therefore, in order for there to have been an APP scam, Mrs S must have transferred funds to B for what she believed were legitimate purposes, but which were in fact fraudulent, as set out in section DS1(2)(a)(ii).

I've therefore considered whether or not Mrs S's intended purpose for the payments was legitimate, whether or not the intended purposes of Mrs S and B were substantially aligned and, if not, whether or not this was the result of dishonest deception on the part of B.

Mrs S transferred money to B which she believed would be used for general investment purposes (stocks and shares and Foreign Exchange 'Forex' trading) and repaid in full after an agreed fixed term. Mrs S believed B was legitimate and that her purpose for paying B was legitimate also.

I've then considered whether there's convincing evidence to demonstrate that B's purpose for the payments was fraudulent. That is, whether B's purpose must have been to misappropriate Mrs S's funds or otherwise deprive her of her money, rather than to use it for the purpose believed by Mrs S.

It's evident that B had some features that gave it the impression of operating legitimately. There are those individuals associated with B who held in-person meetings and online events to promote the investment. And many people who lost money had been introduced to the scheme through personal recommendations (sometimes by people who'd successfully withdrawn significant 'profits' from the scheme).

However, I've found the following facts to be persuasive evidence that B was operating as a scam:

- B received around £28,000,000 in investment funds – however, of these funds, only around £4,700,000 appears to have been invested (so less than 17% of funds received) – and of this money invested, B made a loss of around £600,000.
- Despite this low proportion of investment, B still paid out around £19,000,000 to investors (so around 68% of capital received). Therefore, it seems a large proportion of 'returns' investors were seeing weren't in fact investment returns – but funds provided to B by other investors.
- It therefore seems that B was providing funds to investors to provide the impression that it was performing as expected, the likely intention of which was to obtain further investment into what was an overall scam.
- Additionally, while not all payments were made directly to B, we've seen evidence that notable proportions of payments made to other firms were passed on both to B and other firms under the same director, with little to no evidence of genuine trading activity.
- This is supported by the fact that B was also never regulated by the FCA, which it needed to be to undertake the activity it was alleging to be engaged in.

Taking into account all of the above, I'm satisfied, on the balance of probabilities, that the money that was intended for and sent to B by Mrs S was not used for its intended purpose. The evidence suggests that Mrs S wasn't involved in a failed investment but a scam.

Returning to the question of whether, in fairness, I should delay reaching a decision pending developments from external investigations, I have explained why I should only postpone a decision if I take the view that fairness to the parties demands that I should do so. In view of the evidence already available to me, however, I don't consider it likely that postponing my decision would help significantly in deciding the issues. There is no certainty that any prosecutions will result from the police investigations nor what, if any, new light they would shed on the evidence and issues I've referred to.

So, as I'm satisfied Mrs S has most likely been the victim of an APP scam, I've considered whether she should be reimbursed or not under the CRM Code.

Is Mrs S entitled to reimbursement under the CRM Code?

I've considered whether Barclays should reimburse Mrs S under the provisions of the CRM Code. There are generally two exceptions to reimbursement:

- Mrs S made the payment without a reasonable basis for believing that it was for genuine goods or services; and/or B was legitimate.
- Mrs S ignored what the CRM Code deems to be an 'Effective Warning'

And importantly, when assessing whether it can establish these things, Barclays must consider whether they would have had a *'material effect on preventing the APP scam'*.

I have considered whether Mrs S had a reasonable basis to believe B was legitimate and was providing a genuine investment product.

Mrs S was introduced to B via Company A – who are a legitimate company and had been running for a number of years. The director/owner of Company A had already invested, as seemingly had his family and friends. Mrs S saw a number of people who had all successfully invested with B. Mrs S saw this over the course of many months – seeing and hearing the success stories and the returns being promised being realised. Mrs S also attended a number of online sessions and met the directors of B prior to making the decision to invest. So, I can understand after seeing and hearing first-hand about B, coupled with seeing a number of people having already invested (and receiving expected returns) why Mrs S would have considered it to be a genuine opportunity.

I do accept some of the claims made by B about the returns it could generate seem unlikely. But, and importantly, alongside this I also have to weigh up what Mrs S had been told about B by others, and what she had seen others seemingly get back in returns and how their investments were doing. I think the sophisticated aspects of the scam and the recommendations, outweigh the concerns that Mrs S perhaps ought to have had about the returns being claimed.

When making the payment towards the investment, Mrs S paid an accountancy firm – D, rather than B. I don't think it was unreasonable for Mrs S to not be concerned or think anything untoward about this, especially considering the nature of the business she was paying, that being an accountancy firm that B said it was using, rather than an entirely irrelevant firm which may have caused some concern.

I've also taken into account that even now, with the benefit of hindsight and evidence surrounding B, there is still a dispute regarding whether B was a scam or not. So, I think it would be unfair to suggest that Mrs S ought fairly and reasonably to have realised this at the time.

On balance, I think there was enough to reasonably convince Mrs S at the time that this was a genuine investment company. With this in mind, I don't think Mrs S made the payment without a reasonable basis of belief that B and the investment was genuine.

I have also considered whether Barclays can rely on the exception to reimbursement that Mrs S ignored what the CRM Code deems to be an 'Effective Warning'. Barclays hasn't demonstrated that Mrs S was provided with a warning – so it can't seek to rely on this as an exception to reimbursement. However, I am also mindful the CRM Code explains that a firm, in assessing whether an exception to reimbursement applies such as ignoring an effective warning, has to take into account whether it would have had a '*material effect on preventing the APP scam*'. Here Mrs S had no reason to believe that B wasn't anything but genuine at the time. So, I think it is fair to say that any warning Barclays provided wouldn't have had a material effect on preventing the scam, such as Mrs B's belief in things. So, I do not think an exception to reimbursement can be applied for this reason in any event.

With the above in mind, I don't think any of the exceptions to reimbursement under the CRM Code apply here. It follows that Barclays should re-imburse Mrs S's outstanding losses in full.

Outside the provisions of the CRM Code, while I appreciate Mrs S made the payment in branch, I consider it unlikely that any intervention by Barclays at the time of the payment would have positively impacted Mrs S's decision-making. I don't think either party would have likely uncovered sufficient cause for concern about B at the time such that Mrs S would have chosen not to proceed.

Summary

Overall, I do not consider it necessary to dismiss the complaint or await the outcome of the ongoing police investigations into B and any subsequent proceedings that may happen as a result. I am satisfied, based on the evidence available, that Mrs S was more likely than not the victim of an APP scam. And her fraud claim is therefore covered by the provisions of the CRM Code. I'm also satisfied no exceptions to reimbursement under the CRM Code apply. So, it follows that I'm satisfied Barclays should reimburse Mrs S under the provisions of the CRM Code. And Barclays is entitled to take, if it so wishes, an assignment of the rights to all future distributions to Mrs S under any relevant processes whereby potential compensation or recovered funds may be returned to victims.

With regard to additional compensatory interest, I consider that it ought to be applied from 15 business days after Mrs S's representative reported her fraud claim with Barclays to the date of settlement. This is the applicable timeframe that the CRM Code sets out that a firm should make the decision as to whether or not reimburse a customer. I'm satisfied there was enough information available to Barclays at that time Mrs S's representative reported the matter to it to have allowed it to carry out an assessment and/or verify any information it needed to and provide reimbursement to Mrs S under the CRM Code.

Putting things right

I uphold this complaint. Barclays UK Plc should pay Mrs S:

- £20,000 she lost to the scam orchestrated by B; and
- 8% simple interest on that amount from 15 days after Barclays received Mrs S's fraud claim to the date of settlement.

My final decision

For the reasons given above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 14 November 2025.

Matthew Horner
Ombudsman