

The complaint

Mr B complains Barclays Bank UK PLC ('Barclays') hasn't reimbursed him following an Authorised Push Payment ('APP') investment scam he fell victim to. He says Barclays should reimburse him for the money he lost.

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

What happened

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

Mr B was introduced to an investment company, which I'll refer to as 'B'. Mr B was predominantly introduced by someone whom I'll call Mr J. Mr J had been investing with B for a number of years. Mr B over the course of around a year attended lunches and various events hosted by B and built relationships with a number of people who had seemingly successfully invested with B. This then led to Mr B (and his partner) becoming interested in investing also. Mr B having met, the founders/directors of B at their offices and knowing others who had already invested and seeing the returns expected being achieved, decided to invest also.

Mr B's understanding was that he would enter into a 'loan agreement' with B, on the basis that his funds would then be traded on his behalf (believing B would be carrying out Foreign Exchange 'Forex' trading). The agreement Mr B believed he had entered set out he would loan B £100,000 with B paying interest on the loan at a rate of 40% per annum. Mr B, in January 2022, made a payment of £50,000 to the account details provided on the loan agreement which was an account in B's name. Mr B's partner paid the other £50,000 from an account she held at another banking provider.

Believing everything to be going well, Mr B (and his partner) were convinced to invest a further amount – but this time directly with one of B's directors – 'Mr P'. Mr B was led to believe Mr P could offer quicker and slightly higher returns, which Mr P had said was only offered to his closest clients.

In June 2022, Mr B entered into a further 'Quarterly loan agreement' agreeing to loan £200,000. The principle of this agreement remained the same – that Mr B's funds would then be traded on his behalf but with Mr B receiving interest on the loan at a rate of 15% per quarter.

Mr B paid £100,000 (two payments of £50,000) and Mr B's partner paid the other £100,000. The payments were made to the details provided on the agreement which was a personal account in Mr P's name.

Mr B says he discovered it was a scam when Mr J called him and advised a meeting was being held with the directors of B with Mr P being given the blame for B's failings. Mr B says it started to unravel from there and was further confirmed when he subsequently didn't receive his first quarterly repayment.

Mr B, through his professional representative, reported the matter to Barclays in February 2025 to try and recover his funds or be reimbursed his 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 Mr B had made his payments. 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 12 February 2025 advising Mr B needed to contact it to log the scam claim and have the disputed payments looked into. Barclays explained it didn't receive any further contact from Mr B and so didn't provide an outcome to his claim nor a final response letter.

Mr B through his professional representative referred the matter to our service in March 2025.

Upon our service informing Barclays that Mr B had referred his complaint, Barclays provided its case file and submissions regarding the matter.

Barclays advised:

- Mr B had made several other payments of £50,000 paid to new and existing beneficiaries from his account.
- It had reviewed Mr B's 'reasonable basis of belief' and agreed that he was provided with the level of contact either in person or by phone, WhatsApp, or SMS to believe the investment he was entering into was genuine.
- It did not intervene when Mr B made the transfers to the investment. But Mr B would have been provided with an automated investment warning when making the first payment to B.
- Having reviewed the information available, it considered B was a genuine investment and not a scam – and unfortunately B did not meet its promises to investors and eventually went into liquidation not being able to provide the level of returns it originally predicted. And this left many investors without the possibility of getting their funds back.
- It would not be reimbursing Mr B's lost funds on this occasion. The investment was a genuine opportunity which failed. And Mr B needs to see if there are any other avenues available to retrieve the lost funds.

One of our Investigators looked into the matter and upheld Mr B's complaint in June 2025. In short, they explained that they considered Mr B 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 payments Mr B made (£150,000), as well as adding 8% simple interest per year on that amount, from 15 days after Barclays received Mr B's complaint letter. They considered Barclays should've provided its answer to the claim within that applicable timeframe as it had enough information in the complaint letter it had received. The Investigator also noted that Barclays should take any assignment of rights to any potential funds that might be recovered and paid to Mr B from the ongoing police investigation.

Mr B accepted the findings. Barclays responded and requested the information our service had obtained from the administrators which had been used to reach the conclusion B were likely operating a scam.

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 didn't provide any further commentary and requested the matter be referred to an Ombudsman.

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.

First, and for clarity, this complaint focuses on the payments Mr B made towards B and its director. Mr B's disputed payments total £150,000. Mr B's partner also made payments (which also totalled £150,000) from another banking provider. Those payments do not form part of this complaint. This complaint focuses solely on the payments Mr B has made from his Barclays account.

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. Barclays consider 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 (which includes its directors) 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 Mr B'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 Mr B 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 Mr B first raised his claim with Barclays in February 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 Mr B 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 Mr B under those processes in respect of this investment before paying anything I might award to him 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 Mr B 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 Mr B'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, Mr B must have transferred funds to B for what he 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 Mr B's intended purpose for the payments was legitimate, whether or not the intended purposes of Mr B and B were substantially aligned and, if not, whether or not this was the result of dishonest deception on the part of B.

Mr B transferred a considerable sum of monies to B (and then Mr P) which he 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 (the first loan agreement) and quarterly (the second loan agreement). Mr B believed B was legitimate and that his 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 Mr B's funds or otherwise deprive him of his money, rather than to use it for the purpose believed by Mr B.

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 Mr B was not used for its intended purpose. The evidence suggests that Mr B 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 Mr B has most likely been the victim of an APP scam, I've considered whether he should be reimbursed or not under the CRM Code.

Is Mr B entitled to reimbursement under the CRM Code?

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

- Mr B made the payments without a reasonable basis for believing that they were for genuine goods or services; and/or B was legitimate.
- Mr B 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 Mr B had a reasonable basis to believe B was legitimate and was providing a genuine investment product.

In doing so, I note that Barclays in its submissions to this service has stated that it had reviewed Mr B's *'reasonable basis for belief and agree he was provided with the level of contact either in person or by phone, WhatsApp, or SMS to believe the investment he was entering into was genuine.'* So, Barclays accept and acknowledge that Mr B held a reasonable basis of belief when he made the payments. So, I don't think it can rely on an exception to reimbursement here.

Without going into too much detail, as it isn't needed, I would add here that I agree that Mr B held a reasonable basis of belief at the time he made the payments. Mr B was introduced to B via a number of people who had all successfully invested with B. Mr B saw this over the course of around a year – seeing and hearing the success stories. And Mr B also attended a number of events and met the directors of B prior to making the payments. So, I can understand after seeing and hearing first-hand about B, coupled with seeing a number of people having already invested (and receiving returns) why Mr B 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 Mr B had been told about B by others, and what he had seen others seemingly get back in returns and how their investments were doing. I think the sophisticated aspects of the scam and the personal connection / recommendations, outweigh the concerns that Mr B perhaps ought to have had about the returns being claimed.

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 Mr B ought fairly and reasonably to have realised this at the time.

On balance, I think there was enough to reasonably convince Mr B at the time that this was a genuine investment company. With this in mind, I don't think Mr B made the payments 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 Mr B ignored what the CRM Code deems to be an 'Effective Warning'. Barclays says Mr B was provided with an investment warning when he made the first payment to B. I don't consider it meets the definition of an 'effective warning' as set out within the CRM Code. The warning attempts to cover off elements of both investment and cryptocurrency scams. It therefore attempts to cover off a number of different types of scams – so, it loses its 'impact' here.

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 Mr B 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 was Mr 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 Mr B's outstanding losses in full.

Outside the provisions of the CRM Code, I accept Mr B made considerable payments from his account, so the payments he made here weren't so out of character or unusual given the account activity. But even if I were to conclude Barclays ought to have intervened, I don't think it would have made a difference. I consider it unlikely that any intervention by Barclays at the time of the payments would have positively impacted Mr B's decision-making. I don't think either party would have likely uncovered sufficient cause for concern about B at the time such that Mr B 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 Mr B was more likely than not the victim of an APP scam. And his 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 Mr B 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 Mr B 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 Barclays received Mr B's fraud claim through his professional representative 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 Mr B'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 Mr B under the CRM Code.

Putting things right

I uphold this complaint. Barclays Bank UK PLC should pay Mr B:

- £150,000 he lost to the scam orchestrated by B; and
- 8% simple interest on that amount from 15 days after Barclays received Mr B's fraud claim (7 February 2025) 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 Mr B to accept or reject my decision before 7 November 2025.

Matthew Horner
Ombudsman