

## The complaint

A company, which I'll refer to as K, complains that Barclays Bank UK PLC ('Barclays') hasn't reimbursed the funds it lost in a scam.

Mrs D, who is a director of K, brings the complaint on K's behalf.

## What happened

Mrs D says that K invested over £460,000 (less credits received) into an investment with a company I'll call T. She found out about the opportunity through a friend. Returns were received initially but HMRC froze T's accounts and there is an Financial Conduct Authority ('FCA') investigation into T and linked companies. Mrs D believes that T acted fraudulently in taking K's funds.

In February 2024 Mrs D contacted Barclays to raise a fraud claim.

Barclays said K had a civil dispute but that the decision could be revisited if the FCA's investigation found that T operated fraudulently.

Mrs D, acting on behalf of K, was unhappy with Barclays' response and brought a complaint to this service.

When Barclays sent us its file, it asked that we wait for the outcome of the FCA investigation or dismiss it.

The investigator who considered this complaint didn't recommend that it be upheld. She thought that it was fair to consider K's complaint without waiting for the conclusion of the FCA investigation and that K was the victim of an APP scam as defined in the Contingent Reimbursement Model Code ('CRM Code'). But the investigator concluded that the funds invested through K's account weren't invested for the benefit of the company but were personal investments. This meant the eligible complainant in this case, K, hadn't suffered a loss so, even if she thought Barclays didn't do enough when the payments were made or was liable under the CRM Code, she couldn't fairly require it to reimburse K.

Mrs D didn't agree with the investigator's findings. K's accountant sent a letter enclosing signed agreements they said showed the investment was for the benefit of K, and said that contemporaneous notes showed the intention of the directors of K. K's accountant also said that accounts show the amounts invested were for K.

## 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 am 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.

Where I can't know for certain what has or would have happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words on what I think is more likely than not to have happened in the circumstances.

The payments I have been asked to consider were made from K's account, so K is the eligible complainant here. As the director of K, Mrs D can represent K, but she is considered a separate legal entity, distinct from K.

It isn't in dispute that Mrs D authorised the payments from K's account. In broad terms, the starting position at law is that a bank such as Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

The first point I need to decide is whether K, as the eligible complainant in this case, has suffered a loss. I'm sorry to disappoint Mrs D, acting on behalf of K, but I have reached the same conclusion as the investigator, and for the same reasons.

I accept that the payments I have been asked to consider were from K's account. But this isn't enough for me to say it's more likely than not the investment was made for the benefit of K. I've also taken into account the following:

- When initially asked for contracts relating to the investment this service was provided with a contract dated 4 April 2019 in Mrs D's name.
- Much later, when this service delved into the nature of the investment, K's accountant provided two contracts, each dated 17 April 2019. Both show the trader's name as K, with one being signed by Mrs D as director. The other bears a different signature and the name of K. K's accountant said that these contracts supersede the original one which showed Mrs D as the trader, as there was a mistake originally. But I still have concerns about these contracts as one doesn't appear to have been signed by a director of K and it is unclear which payments they relate to. No emails or other evidence have been provided which might help to explain the position.
- I note that the investigator asked for all correspondence relating to the investment between K's accountant and director. This hasn't been provided. After the investigator issued her view, K's accountant said they had notes of contemporaneous conversations with directors to confirm the funds were those of K. I requested these notes, but they weren't provided. And the issue here is whether the investment was intended to benefit K.
- When asked for evidence, K's representative provided what he described as a "breakdown of all payments made to [T] for [Mrs D]" and another document showing payments made for another individual I'll call B in this decision. Taking into account returns received, Mrs D's loss was nearly £50,000 and B's loss was nearly £134,000. But B isn't a director or employee of K and appears to have no connection to K. Although this service has tried to understand the involvement of B, no explanation has been provided other than that she is a family member. I can also see that T provided regular statements in Mrs D's name and in B's name. If the investments were for the benefit of K, I cannot understand B's involvement, or why the statements weren't in K's name.
- Each time a payment was made from K's account to T it had a reference which included either Mrs D's name or B's name and the word 'loan'. Most had B's name in the reference. Whilst K's representative has said this is what T said to do, I've seen nothing to suggest this was the case.
- K's accountant says that K's accounts show the amounts being invested but the figures don't seem to correlate. While there is some provision in K's accounts for unlisted investments, I can't see how the figure has been arrived at.

- Some credits relating to the investment with K were credited to B's account, rather than K's. I can't see that these credits were then transferred to K's account. There is a credit of £99,994 which K's representative said relates to an investment in T for B, which is reflected in K's accounts. But, as I have said before, B wasn't involved with K. Also, the credit wasn't from T. I can't see that there was a link between T and the company that paid this credit and no explanation has been provided.

The evidence provided by Mrs D shows that the interactions with the scammer were in her personal capacity and with B, who has no connection to K. I'm therefore satisfied the money was withdrawn for the purposes of Mrs D's own personal gain rather than for any business related purposes.

I need to be satisfied that it is K that has suffered a loss as the complaint is rightly brought by K as the eligible complainant here, not Mrs D. So, if Mrs D has withdrawn funds from the company in her capacity as director then she's withdrawn an asset from K for her own use, this would commonly be treated as a loan. So, rather than being owed the sum by the account provider (Barclays), K is owed the sum by its director (Mrs D). The same would apply if the withdrawal of funds from K's account are treated as a payment of dividends to the director.

So, even if I were to conclude that there had been a failing by Barclays, it wouldn't be fair and reasonable for me to ask it to do more. This is because any failures that might have occurred didn't cause a loss to K and, even if I was satisfied that K had suffered the loss, I can't quantify it given the points I have raised above. As this is the case, I see no merit in discussing whether we should wait for the outcome of the FCA investigation or whether the CRM Code definition of an authorised push payment scam has been met.

Overall, whilst I'm sorry to hear about what happened and of the impact, I can't fairly require Barclays to reimburse K.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask K to accept or reject my decision before 2 March 2026.

Jay Hadfield  
**Ombudsman**