

The complaint

Mr C complains Barclays Bank UK Plc won't refund the money he lost to what he believes was an investment scam.

In bringing this complaint Mr C is supported by a professional representative, which I'll refer to as 'R'.

What happened

The background to this complaint is familiar to both parties, so I'll only refer to some key facts here.

Mr C saw an online advert for an investment opportunity with a company I'll refer to as 'A' in September 2021. A was offering investors the opportunity to invest in luxury lodge plots, which were being built as part of the wider development of a holiday resort.

Investors were told they would receive an annual return of 8% on their investment (paid quarterly), plus 110% of the original investment paid back after five years as part of a compulsory buy-back clause.

While Mr C did not initially go ahead with the investment, he was contacted again by an agent promoting the investment in March 2022. At this point he was provided with further information about the companies involved in the development of the holiday resort, and how the development was progressing. He also read a Corporate Update, published by the London Stock Exchange, which further supported what he understood about the development. Mr C thought the investment looked promising and decided to invest.

In March 2022, Mr C made two payments - £1,099 and £73,950 - from his Barclays account to A. He received expected returns between April 2022 and April 2024, totalling £12,362.72. Mr C suspected he'd been scammed when the returns stopped, and A went into administration. He said the administrator also told him the title document he'd been given when he took out the investment was fake.

Mr C asked Barclays to reimburse his losses under the Contingent Reimbursement Model (CRM) Code. He said he'd been mis-sold a lodge plot that came with a fake title. Barclays acknowledged Mr C's loss and noted A had gone into administration. It explained that Mr C was not entitled to reimbursement under the CRM Code as it considered his loss stemmed from a civil dispute, which was not covered. Unhappy with Barclays' response, and with support from R, Mr C referred his complaint to the Financial Ombudsman.

Our Investigator didn't uphold the complaint. While he noted that it was a complex and evolving situation, he was not persuaded there was currently sufficient evidence to support a conclusion that Mr C had lost money to a scam. As such, he considered Barclays had acted reasonably by refusing to reimburse Mr C under the CRM Code.

R disagreed and presented further evidence that it considered demonstrated the investment opportunity was in fact fraudulent. It summarised the evidence under the following grounds:

- Administrators had shared the view that the investment scheme had hallmarks of a sophisticated investment fraud;
- large sums of investors' money had been transferred to other companies associated with L, and L's director, and which was now unaccounted for, but which didn't appear to have been used as investors expected;
- the investment had been misrepresented as "Fully Asset Backed", creating the impression that investors would own land and the lodge built on it, when A knew this was not the case.

Our Investigator explained why, despite the further evidence presented by R, he was still not persuaded there was sufficient evidence to reach a conclusion that A was operating a scam, such that Barclays would be required to reimburse Mr C's losses under the CRM Code. In summary, he said:

- the Administrator had been clear that his investigations were still ongoing and that he did not have information about all companies involved in the scheme and so could not see how all funds obtained from investors had been used. While there were hallmarks of a possible fraud, there was insufficient evidence to conclude it was more likely than not fraud. There were other explanations for the issues identified – such as poor administrative practice or bad business practice, which would not meet the bar of fraud - which were equally likely.
- While investor funds were received before land had been acquired, and after an associated company went into liquidation, this could have been for legitimate reasons. And without further evidence of what happened to investor funds it's not possible to determine that A intended to scam investors.
- Although the Administrator had made comments that sales agents had falsely claimed investors would own a unit or land (neither of which were true), there was insufficient evidence to show that A had made dishonest statements to investors, or that it did so in order to defraud investors.

R disagreed. It said it would make further enquiries to obtain relevant account information to determine that investor money wasn't used for the intended purpose. But it considered there was already sufficient available evidence to prove that A had directly misled investors with the promise of security for the investment by way of land ownership, and that this did not just come from third party introducers.

The complaint was passed to me to decide. I issued a provisional decision on 17 November 2025, setting out why I wasn't minded to uphold Mr C's complaint. For completeness, I repeat my provisional findings below:

"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'm currently minded to reach the same outcome as our Investigator and for largely the same reasons. I realise this will come as a disappointment to Mr C but based on the evidence that is currently available and for the reasons I'll set out, I don't think Barclays is required to reimburse his losses under the CRM Code.

I'm aware I've summarised this complaint and the relevant submissions briefly, in much less detail than has been provided, and in my own words. No discourtesy is intended by this. In this decision, I've focussed on what I think is the heart of the matter here. Therefore, if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I

consider is the right outcome. Our rules allow me to do this, reflecting the informal nature of the Financial Ombudsman as a free alternative to the courts.

My role is to consider the evidence presented by the parties to this complaint and reach what I think is a fair and reasonable decision, based on what I find to be the facts of the case.

I acknowledge the complexity of this case. I am aware that multiple investors have brought claims that they lost money after investing with A, and associated companies. I'm also aware there are other interested parties, including liquidators and the police, who are currently conducting various reviews and investigations; the timelines and outcomes of which are currently unknown. I'm therefore conscious that new information may become available at some point in the future, which may shed more light on the situation than is currently known.

But I can only conclude this case based on the information that is currently available to me. I do not think it would be in the interest of fairness to delay reaching an outcome in this case in the hope of receiving further evidence at some unspecified date in the future which may impact my findings.

Should materially new evidence come to light after I have reached this decision, Mr C would be entitled to ask Barclays to reconsider a claim under the CRM Code, and he could ultimately refer any resulting complaint to the Financial Ombudsman.

The CRM Code

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair or reasonable for the bank to reimburse the customer even though they authorised the payment.

Barclays was a signatory to the voluntary CRM Code, which provided additional protection to scam victims while it was in place. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an Authorised Push Payment (APP) scam (except in limited circumstances). But the CRM code doesn't apply to all APPs which ultimately result in a loss for the customer. It only applies if the definition of an APP scam is met. Here the relevant definition is set out in DS1(2)(a)(ii) of the Code:

“Authorised Push Payment scam, that is, a transfer of funds...where [...]

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

The CRM Code is explicit that it doesn't 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.” This would include a failed investment.

In reaching my decision on this complaint, I've considered Mr C's purpose in making the payments and A's purpose in receiving them. If there is a significant difference in these purposes, I have considered whether I can be satisfied that this was because of dishonest deception.

It appears that Mr C's purpose for making his payments was to invest in the development of a luxury holiday lodge resort. In return for his investment, Mr C expected to receive an

annual return for 5 years, followed by an additional 10% profit on his capital in year 5. From what I have seen I have no doubt that Mr C believed this was a legitimate venture.

I accept that A failed to deliver what was expected from the investment which has led to Mr C not receiving the returns he expected, as well as the loss of his initial capital investment. But I haven't seen sufficient persuasive evidence to show this was always what A intended; or that at the time of the payments, A planned to use Mr C's funds in a different way to what had been agreed.

There is evidence to support that A, and its associated companies, had broadly the same purpose in receiving funds. In simple terms, the evidence shows that A had:

- owned the site to be developed and had, or sought, planning permission to build and develop holiday lodges on it;*
- had formed relationships with other companies, seemingly with the intention of carrying out the development, each of which had been incorporated years prior to Mr C's investment;*
- installed a number of lodges, which were being let as intended and had received positive online reviews.*

Overall, while it's evident A did not achieve its full stated plans, it appears, at least on the face of it, to have started developing the land and letting holiday lodges as it had told investors. As such, there is a prima facie case to say that it was a legitimate business which ultimately failed and not a scam.

To reach an alternative conclusion, I would need to see clear compelling evidence which demonstrated that not only was A not acting as investors intended, but that its purpose in doing so was fraudulent.

I accept there are some issues which have understandably caused investors to have concerns about the legitimacy of the investment scheme and the intentions of A when receiving their funds. And while I will address these in further detail below, overall, I am not persuaded there is currently sufficient evidence to say it's more likely than not A's purpose in receiving payments was fraudulent, or that it was operating a scam.

Security of investment

R considers A misrepresented the nature of the investment, such that investors were falsely led to believe they would acquire ownership of the plot of land on which the lodges sat, and possibly ownership over the lodge itself. R has made the case that investors were therefore falsely induced into the investment believing their funds were secured against land and/or property, when A knew this was not the case.

In the evidence Mr C has provided, I can see that he exchanged emails with the selling agent where he was told that he would acquire the "freehold" to the lodge plot from A, and that this would be registered with the Land Register of Scotland. I understand that neither of these things were possible, and as such I accept that Mr C was provided with inaccurate information. But I must also consider who made any false statements and why. Here, the inaccurate statements were made by the selling agent, not A. I also accept that the selling agent may have made these statements dishonestly with the intention of mis-selling the investment, but I'm also mindful they could have been made due to a misunderstanding and or negligence, which while concerning would not meet the bar to say there was a fraudulent misrepresentation.

The agreement Mr C and A signed does not state that he would acquire the freehold in relation to the lodge plot, or that this would be registered with Land Register of Scotland. In the agreement Mr C is referred to as the "Investor" and it sets out that Mr C "wishes to invest in the Developer [A] upon the terms and conditions herein provided". It set out that A would provide Mr C with "a lodge plot deed and ownership certificate" and it would pay "the annual return quarterly in arrears". Overall, I'm satisfied this document makes clear Mr C was acting as an investor and A was promising to pay returns as agreed.

I accept there is some ambiguity in terms of what the "Certificate of Lodge Plot Ownership" related to and what rights (if any) this gave him. But this is not enough to say that A misrepresented the terms of the investment.

I have also taken into account that the "Registration of Title" document states "This copy shows entries on the [A] internal register of titles." And is "issued by and dealt with by [A]". It does not suggest title has been registered with Land Register of Scotland. I have also seen no evidence to substantiate Mr C's claim that the title document was fake, although I appreciate it was not a Land Register title document, but I can't see it purported to be one.

R has not demonstrated that the statements A made about the investment were in fact false – i.e. that Mr C does not own a lodge plot (albeit I accept this would not be the same as having a share of the freehold). But even if A had misrepresented Mr C's ownership rights, R has not demonstrated that this was done with fraudulent intent.

There has been no suggestion that Mr C intended to make use of the lodge himself – in fact he had questioned this before investing and been told he would have no occupancy rights - or that he expected to be able to sell it outside the terms of the compulsory buy back term of the agreement. The marketing material I have seen is consistent that the investment did not entitle investors to personal use of the lodge, it was also specified that the investor could not sell or exit the investment before the compulsory developer buy-back, which would happen in year five. Ultimately, I'm satisfied that Mr C's purpose in making payments to A was to invest in the lodge plots in order to earn a return on his investment capital, which would be generated from the development of the holiday lodge site.

As I have set out above, the evidence presented in support of this complaint does not sufficiently demonstrate that A did not intend to develop the site as advertised, with the profits being returned to investors as agreed. As such, I cannot reasonably conclude that A made a fraudulent misrepresentation to Mr C.

Use of funds

I appreciate there have been questions over how investor funds were used - especially given the development was not completed as expected – and much is still unknown. But in the absence of clear evidence, I cannot safely conclude that investor funds weren't used as intended.

As our Investigator has addressed in some detail, while I appreciate the administrator has raised some concerns that the investment had some hallmarks of a "possible fraud", he also made it clear that he did not have a complete picture of where funds had gone or how they were used. He noted the need for a much wider investigation, involving various associated companies, to gain a true understanding of how investor funds were spent. Without all the relevant information the administrator could only speculate about the possibility of fraud.

This full information about how investor funds were used is still unavailable, and as such, I am in no better position than the administrator to conclude that it is more likely than not a

scam. Likewise I could not have expected Barclays to conclude it was a scam at the time Mr C made his claim.

Ultimately, Mr C made payments to A as part of a holiday lodge rental investment and the evidence presented to our service doesn't sufficiently demonstrate that A didn't have the intention of carrying out and completing the developments at the time of the payments. Because of this, I'm not satisfied that Mr C's claim meets the CRM Code's definition of an APP scam, and so I cannot reasonably conclude Barclays acted unreasonably in refusing to reimburse him under the CRM Code.

Should Barclays have prevented Mr C's loss?

Lastly, I've considered whether Barclays could've done any more at the time of the payments to prevent Mr C's loss.

Barclays has demonstrated Mr C's larger payment to A was made in branch, and so its advisers carried out a scams conversation before it was processed. Mr C told Barclays he was purchasing a holiday let having seen an advert on a well-known property website. He explained he had done his own research, including checking the company on Companies House and on the London Stock Exchange. After the initial intervention Mr C decided to await receipt of a signed contract before he proceeded with the payment, which he did a few days later. Barclays' records show that as part of the in-branch interaction it discussed scams, and specifically investment scams, with Mr C. I haven't been provided with sufficiently detailed evidence to see what was said to decide whether this intervention was proportionate to the risk identified at the time.

But regardless of whether Barclays did enough at the time or not, I'm not persuaded that proportionate intervention from Barclays would most likely have uncovered that Mr C was at risk of financial harm from fraud at the time. And considering Mr C had already taken steps to reassure himself the opportunity was legitimate, I'm not persuaded he would have decided not to go ahead with the payment at the time. So, I can't fairly say Barclays could've prevented Mr C's loss at the time.

Overall, I'm not persuaded, on balance, that Mr C has fallen victim to an APP scam, based on the evidence available. I've no doubt that this will be extremely disappointing to Mr C, given the loss he's suffered and the impact it has undoubtedly had on him, but I'm unable to say that Barclays are liable to reimburse his loss.

Should any material new evidence come to light at a later date, for example from the police or the administrators, Mr C can ask Barclays to reconsider his claim. But, as it stands, I can't fairly say Barclays should reimburse his loss under the CRM Code, or for any other reason."

R responded on Mr C's behalf asking that I delay reaching a final decision on this complaint until it has obtained bank statements from a company associated with L, which it believes will demonstrate that investor funds were not used as intended. It also provided an update from the police which confirms that a further three suspects have been arrested on suspicion of fraud and money laundering offences. It said this evidence should be considered rationally alongside other indicators this is a scam, and said the police investigation would not have resulted in further arrests if it didn't think fraud had occurred.

While I have noted R's request that I delay reaching an outcome, for the reasons I'll go on to explain, I think it is in the interest of fairness to all parties that I decide the case now. Should new evidence emerge – such as the bank account statements and or the outcome of the police investigation – Mr C can ask Barclays to reconsider his CRM claim.

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.

As R has not made any comments or raised any specific objections to the conclusions reached in my provisional decision, I see no need to repeat them here, save to say my provisional conclusions still stand.

In this final decision, I will focus on why I consider it appropriate to determine this complaint now; and why the new evidence presented does not lead me to conclude that Barclays acted unreasonably in refusing Mr C's claim for reimbursement under the CRM Code.

Why is it fair I determine this complaint now?

I think it is important to explain that my role in considering this complaint is to determine whether Barclays' refusal to reimburse Mr C's losses under the CRM Code was ultimately fair and reasonable in the circumstances.

In deciding that, while I must consider what evidence exists to demonstrate that a scam has more likely than not taken place - as this is something Barclays needed to consider when reaching its CRM claim decision - it is not my role to ultimately determine if A was operating a scam. My focus is on whether Barclays reached a reasonable conclusion at the time it declined the claim, considering what evidence was available to it.

Barclays ultimately reached an outcome when it issued its final response on 2 December 2024. While I accept that evidence may come to light in the future which could show that A was more likely than not operating a scam, it would not be fair or reasonable to conclude that Barclays' reached an unfair outcome based on evidence that was not available to it at the time, and which still has not been provided a year later.

However, should new evidence come to light Mr C can present this to Barclays for further consideration. If Mr C is ultimately unhappy with its revised CRM claim decision, he can refer a complaint about its decision back to this service for consideration.

Does the new evidence demonstrate that A was more likely than not operating a scam?

I'm grateful to R for sharing the most up to date information it has received from the police investigation. I can understand why the news that further arrests have been made may seem to investors conclusive that a scam has taken place. But while I do not doubt it indicates potential wrongdoing (I'm mindful that individuals have only been arrested and not charged at this point), I do not have sufficient information or evidence to reach a conclusion that it is

more likely than not that A was operating a scam – although I also do not rule it out as a possibility.

The update from the police is understandably limited in what information has been shared. Crucially, I do not know which individuals have been arrested and therefore I do not know what if any connection they had to A; while the police have revealed that arrests relate to fraud and money laundering offences, I do not know specifically what these charges relate to, including the timeframe in which the offences are alleged to have taken place. As such, while I can understand why this information was highlighted to us, it is not sufficiently persuasive to conclude that A was most likely operating a scam.

As such, while I realise this will be disappointing for Mr C, I'm not persuaded on balance – and at this time – that Mr C has lost money to a scam. So, I'm unable to say that Barclays are liable to reimburse his losses under the CRM Code.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 5 January 2026.

Lisa De Noronha
Ombudsman