

The complaint

Mrs W complains that Barclays Bank UK Plc won't reimburse money she says she lost to fraud.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In late 2022, Mrs W was introduced to an investment opportunity by an existing investment partner, who I will refer to as Mr C. The proposed investment involved loaning Mr C money for the purchase, refurbishment and sale of property.

Happy to proceed with the investment, on 29 November 2022 Mrs W transferred £50,000 from her Barclays account to Mr C.

Later, in 2024, Mr C was declared bankrupt and his business entered into liquidation. It was discovered that Mr C had a history of bad character and that the investment was likely a Ponzi scheme. So Mrs W concluded she had likely been the victim of an investment fraud.

Mrs W lodged a claim with Barclays, requesting that it reimburse her loss under the provisions of the Contingent Reimbursement Model (the CRM Code). But Barclays rejected that claim, concluding that Mrs W had likely paid toward a legitimate investment that had failed. It therefore found that it had no liability to reimburse her loss.

Mrs W disagreed with that outcome, so she referred her complaint to our service for an independent review.

An Investigator considered the evidence available but agreed with Barclays' position that Mrs W had likely lost her funds to a legitimate, failed investment. They therefore didn't recommend the complaint be upheld.

Mrs W disagreed with that assessment, so the complaint has now 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.

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.

There is no dispute here that Mrs W authorised the transaction in question. And the starting position in law is that she will be held liable for the transaction authorised in the first instance. That is due to Barclays' primary obligation to process payments in line with its

customer's instructions, as set out in the Payment Services Regulations 2017.

However, Barclays was a signatory to the CRM Code at the time the payments were made. Under that Code, firms are expected to reimburse customers who fall victim to fraud, subject to a number of conditions and exceptions.

However, the CRM Code is only relevant if I'm persuaded Mrs W was a victim of fraud. The Code specifically doesn't cover certain types of disputes. It says:

"This 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".

Likewise, even had the payments not fallen within the scope of the CRM Code, Barclays has no liability to reimburse Mrs W her loss from a bank transfer where the matter is deemed a civil dispute, such as where she paid for a legitimate investment that has failed.

From the information provided so far by Mrs W, I'm not persuaded she has been a victim of fraud. I'll explain why.

Mr C, and the business he represented, were legitimate entities. Mr C's identity has been confirmed, and his business was registered with Companies House. So I'm satisfied that neither were misrepresented to Mrs W.

Mrs W also had a longstanding business relationship with Mr C over the preceding 18 months, as both had joint business ventures that had, up until the point Mr C was declared bankrupt and his business entered into liquidation, been operating according to the agreements reached.

The points I have highlighted so far are not consistent with the actions of a person intent on committing fraud.

Mrs W has made submissions to our service, purportedly evidencing Mr C's bad character and history of similar offences. However, I don't find these submissions particularly persuasive. Historic drug and anti-social behaviour convictions bear no relevance to this case, and are by no means a way of proving Mr C's intent.

Mrs W has also made reference to a fraud investigation from 2009 where directors of a business were convicted of fraud offences in relation to a Ponzi scheme. While Mr C was a director of this business, no charges were brought against him in relation to the offences.

Mrs W has also made numerous other submissions to our service highlighting what she says to be evidence in support of the assertion that fraud has likely been committed. These include:

- Optimistic returns.
- A business model she thinks couldn't, or has never, existed.
- Farfetched reasoning and excuses for delays and repayments.
- Belief that Mr C purchased properties in his own name, which is inconsistent with what he told investors.
- Consistency of themes across a number of other investors.

Having reviewed these submissions carefully, I find these points to be speculative and amounting to mere suspicion. They also do not go as far as ruling out the possibility Mr C took Mrs W's funds and used them for their intended purpose. Nor can I find evidence of any

substantive misrepresentations that have been made.

Our service has obtained banking statements from the provider of the account where Mrs W had sent her funds. And while I cannot reveal specific details about that account, the payment Mrs W sent to Mr C seems to have likely been used for the purposes of their agreement. There were also no other concerning reports raised against the account.

Mrs W has also told our service that there is currently an active law enforcement investigation into Mr C. I do acknowledge that this appears, to the layman, to be proof Mr C is likely a fraudster—as it infers that the police have taken the matter seriously enough to pursue this course of action. However, the purpose of an investigation is to interview the suspect and gather evidence. And that will likely go toward investigating Mr C's intent at the time; the result of which may or may not lead to his prosecution. But I am not privy to the information held by the police, so cannot consult on the wider circumstances of this investigation.

I want to make it clear that I am not ruling out the possibility that Mrs W has been the victim of fraud here. But from the evidence currently available, I see no persuasive argument that would lead me to conclude Mrs W has *likely* been the victim of fraud.

However, should material new evidence come to light that does support Mrs W's assertion that she has been the victim of fraud, she can present that new evidence to Barclays for further review.

I am truly sorry to hear of the loss Mrs W has suffered, and the impact this has had on her. But for the reasons I have provided, I'm not currently persuaded she has likely been the victim of fraud here. It would therefore be unreasonable to direct Barclays to reimburse the loss she has suffered.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 7 January 2026.

Stephen Westlake
Ombudsman