

## The complaint

Mr H complains that Barclays Bank UK PLC ('Barclays') won't reimburse the funds he says he lost to what he believes was a scam.

## What happened

Based on the information I've been provided, my understanding is as follows.

In 2020 Mr H was sent an email about an investment opportunity, by a business he'd previously spoken to about a potential property purchase. The opportunity was offered by a company I'll refer to as S. Having received the email, Mr H visited S's website and found more information.

As I understand it, S was offering bonds to raise funds for a property development. Mr H says he discussed the opportunity with a Barclays Relationship Manager whom he believes checked the investment and told Mr H it looked legitimate and regulated. Mr H says he trusted the Relationship Manager had checked everything and gave him the green light to go ahead and invest with S.

These are the payments made from Mr H's Barclays account as part of the investment, which Mr H says were executed by the Relationship Manager on his behalf.

Date	Details of transaction	Amount
20 November 2020	CHAPS transfer to an account in the name of S	£15,000
2 March 2021	CHAPS transfer to an account in the name of S	£15,000

Between February 2021 and December 2021 Mr H received four payments from S as expected, coming to a total of £1,312.50. But in April 2022, S went into liquidation. Mr H now believes that the investment was a scam.

Mr H initially spoke to Barclays in 2022 but no claim was formally raised at that time. Mr H contacted Barclays again in February 2025 to raise a scam claim. Barclays declined to refund Mr H and said the matter was a civil dispute between him and S. Unhappy with the outcome of the claim and subsequent complaint, Mr H brought his complaint to our Service.

An investigator looked into Mr H's complaint but didn't uphold it. The investigator wasn't satisfied that the circumstances under which the payments were made met the definition of an Authorised Push Payment ('APP') scam as set out in the Contingent Reimbursement Model Code (CRM Code). The investigator didn't think Mr H had been deceived into making the payments for a different purpose, than the investment he thought he was investing in. The Investigator also said he hadn't seen sufficient evidence to conclude that the Relationship Manager had given financial advice and recommended Mr H go ahead with the investment.

Mr H disagreed with the Investigator's opinion. In summary, he said S lured people into it to invest and then ran away with investor's money. Mr H also reiterated that he relied on the checks carried out by the Relationship Manager and it should be Barclays' responsibility to

reimburse him. Mr H also provided emails he received from other investors saying they believed S to be fraudulent and says other investors have received refunds from their banks.

As the complaint can't be resolved informally, it has been passed to me to make a 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.

I have summarised this complaint in less detail than the parties involved. No discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

First of all, I'm really sorry to hear of the impact the loss of these funds has had on Mr H and his current circumstances he's kindly told us about. I know the whole matter has been very stressful, frustrating and upsetting for Mr H. But it's my role to consider whether Barclays is responsible for his losses. Having considered everything carefully, I agree with the findings of our Investigator and I'm not upholding the complaint. I'll explain why.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must take into account what I consider to have been good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

Though Mr H says the Relationship Manager made the payments on his behalf, it's not in dispute that he was aware of, and authorised, the payments. In broad terms, the starting position in law is that a firm 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 and reasonable for the bank to reimburse the customer even though they authorised the payment.

#### *Is Mr H entitled to a refund under the CRM code?*

Barclays was a signatory to the CRM Code – an APP scam reimbursement scheme that was in place at the time of the payments from Mr H's account. Under this code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam, except in limited circumstances. But the CRM Code only applies if the definition of an APP scam as set out in it, is met.

But not all failed investments are as the result of an APP scam. And, in order for Barclays to be liable to refund Mr H, I need to be satisfied that Mr H has been the victim of an APP scam, when applying the CRM Code and other relevant industry guidance in deciding the outcome of this complaint.

I have considered whether Mr H's claim falls within the scope of the CRM Code. The relevant definition of a scam from the CRM code is that the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

The CRM Code also says it doesn't apply to private civil disputes, such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier. It is for Mr H to demonstrate that he has been the victim of an APP scam.

In order to determine whether Mr H has been the victim of an APP scam as defined by the CRM Code I need to consider whether the purpose he intended for the payments was legitimate, whether the purposes he and S intended were broadly aligned and then, if they weren't, whether this was the result of dishonest deception on the part of S.

From what I've seen, I'm satisfied the intention of Mr H's payments were to purchase bonds in S in relation to a property development. And I haven't seen anything to suggest he didn't think this was legitimate.

In reaching an answer on what purpose S had in mind, I've considered the available evidence and information.

Mr H has provided information to support his case, including emails from S about what it was offering, and emails from another bondholder that allege S was a scam and that the directors had disappeared with investors' funds. But none of the evidence provided substantiates the claim that S was operating a fraudulent scheme or that Mr H has been the victim of an APP scam – other than S going into liquidation.

S is a UK registered company, incorporated in 2018. The nature of its business is listed as "activities in real estate investment trusts". Based on the information I've seen, S had been operating legitimately for a significant amount of time before Mr H's investment. And while the process of S being liquidated started in April 2022, I'm not persuaded that it's more likely that S was set up, and then liquidated, because of fraudulent activity rather than failing for other legitimate reasons. It's possible that S failed due to mismanagement, financial failings or various other legitimate reasons.

I've reviewed the liquidators' reports, available on Companies House, but nothing in the reports lead me to believe that S was operating fraudulently, or that S took Mr H's funds with a different purpose in mind. And I'm not aware of any other investigations into S's dealings, such as by the police or any other independent body, that have resulted in evidence showing S was operating fraudulently or deceiving investors in relation to the true purpose of their payments.

Taking all of the available evidence into consideration, on balance I'm not satisfied there is sufficient evidence to say it's more likely than not, that S had a different purpose in mind than Mr H did when the payments were made - or that S obtained the funds by dishonest deception. On that basis, I'm not satisfied the payments made from Mr H's account meet the definition of an APP scam as per the CRM Code. As such I don't think it was unreasonable for Barclays to decline to reimburse Mr H under the provisions of the CRM Code.

Mr H has suggested other investors who made payments to S in the same circumstances have been refunded by their banks. But I can only consider the complaint in front of me and can't comment on other complaints. It is a bank's choice, on the individual merits of the complaint it's considering, whether it reimburses a customer. Because I have reached the same conclusion as Barclays, that the evidence does not persuade me Mr H has fallen victim to an APP scam, I can't tell Barclays to reimburse Mr H under the provisions of the CRM Code.

*Is there any other reason I could hold Barclays liable for Mr H's loss?*

A bank's primary obligation, when it receives a payment instruction from its customer is to carry out that instruction without delay. But the bank should be on the lookout for, and protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character. Where potential fraud is identified, I would expect Barclays to intervene and attempt to prevent the losses for the customer. As explained above, I don't think S was operating a scam. In any event, I've considered what Barclays would have known at the time of the payments, and I don't think they could reasonably have been expected to prevent the payments from being made.

Based on the evidence I've seen, I'm satisfied Barclays made the payments on behalf of Mr H – as confirmed by Mr H, and in two letters Barclays sent to him at the time of the payments. However, there's no evidence available to me that confirms what Barclays and Mr H discussed in relation to the investment and the payments. Mr H says he believed the Relationship Manager completed checks on S and gave him the go ahead to make the investments. Barclays says that its staff are not financial advisers and aren't permitted to provide investment advice. There's also no evidence to show whether Mr H was provided with any scam warnings before he authorised the payments.

All things considered, I think it's likely that Mr H did discuss the investment and the payments with the Barclays Relationship Manager, prior to carrying out his instructions. But I haven't seen any evidence that leads me to conclude that, on balance, Barclays gave financial or investment advice to Mr H about the investment. Nor can I reasonably conclude that Barclays provided a scam warning at the time of the payments.

But I'm also not persuaded that Barclays would have had reasonable grounds on which to prevent Mr H from proceeding to go ahead with the payments. I simply don't think either Mr H or the bank would have likely uncovered sufficient cause for concern about S at that point, given its presence online, registration on Companies House for several years, the information Mr H had seen about the opportunity and that there was no adverse information about S available in the public domain at the time.

Having carefully considered everything, I find that Barclays could not reasonably be held liable through any failure to prevent or somehow stop Mr H from making these payments.

I find that outside the provisions of the CRM Code and the APP scam reimbursement rules I could not fairly hold the bank liable to reimburse Mr H.

### Summary

I'm sincerely sorry to hear about the position Mr H finds himself in and the upset and difficulties he has been caused through no fault of his own, and I am sorry to have to deliver this news to him. But for the reasons I have explained and based on the available evidence I have seen; I consider the matter is a civil dispute which isn't covered by the CRM Code and is therefore something that needs to be resolved between the two parties through alternative methods. I also don't think Barclays could have done anything more to have prevented the loss of Mr H's money.

It follows that I don't think Barclays Bank UK PLC is liable to reimburse Mr H for his loss under the CRM Code or otherwise.

### **My final decision**

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 May 2026.

Mike Southgate  
**Ombudsman**