

The complaint

Mrs L complains that Barclays Bank UK PLC trading as Barclays won't refund the money she lost after she fell victim to a scam.

Mrs L has used a personal representative in bringing her complaint, but for ease, I will refer to Mrs L throughout this decision, even where the submissions have been made on her behalf.

For completeness, I'm aware Mrs L has brought another case to our service. This relates to payments made from another account she held with Barclays – this complaint has been closed following an assessment by one of our Investigators.

I understand Mrs L is also looking to raise further case(s) with our service in relation to other payments she made as part of the same set of circumstances but with a different banking service provider. I make no findings as to the closed complaint or any other payments that are not being considered under this complaint but may refer to these payments for the purpose of setting out what has happened here.

What happened

The details of this complaint are well known to all parties and so, I won't repeat them in full here. Instead, I'll summarise the key points and focus on giving reasons for my decision.

Mrs L became acquainted with a person I'll refer to as 'LH' going forward. Mrs L had known LH's sister for around ten years. In and around December 2022, LH during conversations with Mrs L told her about a business she ran – supplying dog treats to pet shops and suppliers across the UK.

LH informed Mrs L she was looking to expand and grow the business and asked whether Mrs L would be interested in investing. Believing all to be genuine, Mrs L decided to invest.

Mrs L proceeded to register the company with LH's involvement, which I'll refer to as 'CHT' going forward. CHT was incorporated in February 2023. The table below shows the payments Mrs L made, along with any credits received into the account. Mrs L has shared that funds were borrowed from friends, family and third parties which she invested into the business. These are also shown within the table below and referenced as, 'AD', 'PL' and 'SB'.

Mrs L also made two payments to a company I'll refer to as 'HDH' – these payments were to assist LH with her outgoings/rent – which she was told she'd be paid back at a later date.

Date	Amount	Beneficiary	Notes
03/02/2023	£15,000 credit		Incoming credit from AD

03/02/2023	£8,000		In branch cash withdrawal
03/02/2023	£2,000	HDH	Faster payment
06/02/2023	£1,000	HDH	Faster payment
14/02/2023	£2,000		In branch cash withdrawal
14/02/2023	£1,000		In branch cash withdrawal
07/03/2023	£10,000 credit		Incoming credit from PL
07/03/2023	£2,000 credit		Incoming credit from CHT
07/03/2023	£12,000		In branch cash withdrawal
26/06/2023	£6,000 credit		Incoming credit from Mrs L's business account with Barclays
26/06/2023	£6,300	To another of Mrs L's accounts	Faster payment
07/07/2023	£10,000 credit		Incoming credit from SB
07/07/2023	£10,000		In branch cash withdrawal

For completeness, Mrs L also made payments from a business account she held with Barclays and from an account with another banking service provider.

Mrs L says she became suspicious when LH failed to produce any funds or pay back the money loaned. Mrs L subsequently reported the matter to the Police.

A scam claim was raised with Barclays in November 2023. Barclays issued its final response letter on 2 October 2024, concluding the payments were the subject of a dispute between Mrs L and the seller of the goods/services (LH). It said the faster payments Mrs L made weren't covered by the Contingent Reimbursement Model Code ('CRM Code'), as this was a civil matter.

Barclays in reference to the cash withdrawals that were made, said at the time of the withdrawals, a scam prevention statement was in place which would've been read to Mrs L before the transactions were processed. It highlighted that Mrs L made it aware that the payments were being used towards a business she was a part of (CHT) and that she is listed as a director on Companies House. It also added that Mrs L had a pre-existing relationship with the person she was in business with (LH). Barclays considered this to indicate a level of trust which is not usual when it considers a potential scam. It reiterated its stance that this was a civil dispute.

Unhappy, Mrs L brought her complaint to our service. Mrs L feels Barclays ought to have done more to protect her in branch when making the cash withdrawals and so she would like it to reimburse her the money she's lost.

Our Investigator considered the matter but overall did not uphold the complaint. In summary, he was satisfied Mrs L had fallen victim to a scam and that this was not a civil dispute. However, when looking at the payments Mrs L made, our Investigator didn't think Barclays was required to reimburse Mrs L the money she'd lost.

Mrs L didn't agree with our Investigator's view. As an agreement couldn't 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. 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 think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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's no dispute here that Mrs L authorised the payments made under this complaint. Under the relevant legislation that means she's liable for those payments at first instance. However, good industry practice also required Barclays to be on the lookout for payments that were unusual or out of character with the aim of preventing customers from falling victim to fraud and scams. It was also a signatory to the Lending Standards Board's Contingent Reimbursement Model ('CRM Code'). In certain circumstances, the CRM Code can entitle a customer to be reimbursed by the bank after they've fallen victim to a scam.

However, before I consider whether any of those requirements come into play, I must first consider whether Mrs L is a victim of fraud. The CRM Code 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.

And the CRM Code only applies if the definition of an APP scam, as set out in it is met. An "APP scam" is defined in the Definitions and Scope section of the CRM Code:

"Authorised Push Payment scam, that is, 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."*

Barclays within its final response letter considers the payments Mrs L made to be a civil matter between her and LH. As I've set out above, in reaching this conclusion Barclays has highlighted that the payments were being used towards a business that Mrs L was a part of (CHT), that she is listed as a director of the company on Companies House and that Mrs L had a pre-existing relationship with the person she was in business with (LH).

I've thought carefully about what Barclays' has said on this aspect, but based on everything I've seen and been told, I'm persuaded Mrs L has fallen victim to a scam here. I say this because, I've seen emails from the Police which indicates the company (CHT) was fictitious and made up by LH. The information I've seen also states the investigations have shown that LH defrauds a person in order to fund their lifestyle. The Police have shared within its

email that it is looking to charge LH in her absence. It follows on balance that I'm satisfied Mrs L did fall victim to a scam here and that this claim is not the subject of a civil matter.

I will now turn my attention to the payments Mrs L made as part of the scam and whether she is entitled to reimbursement from Barclays under the CRM Code or whether there is any other basis for which Barclays ought fairly and reasonably to reimburse Mrs L the money she's lost.

Cash withdrawals and the Banking Protocol

The CRM Code doesn't apply to the cash withdrawal's Mrs L made under this complaint as the CRM Code applies to faster payments made to a UK beneficiary– and here, Mrs L made numerous withdrawals in cash which were then handed to LH.

Mrs L has argued that Barclay's branch staff didn't do enough when she was withdrawing large sums of cash in its branches; she strongly believes the Banking Protocol should have been applied and that had it been, the scam would've unravelled based on what she says the Police knew about LH.

In broad terms, the Banking Protocol requires branch staff to:

- Look out for any unusual or out of character withdrawals and to implement the Banking Protocol procedure when such transactions are identified.
- Discreetly question the customer about the withdrawal or transaction and their reasons for making it, keeping in mind that the customer may have been told they are helping to catch a corrupt bank employee and may have been given a cover story to tell if asked about the transaction.
- Consider the responses against what they expect as normal activity on the individual's account. If they are concerned or suspicious that the customer may be the victim of fraud, they should notify a senior member of staff, who should take the customer to a quiet area and ask further questions to establish more details.
- If the senior colleague believes the customer is the victim of fraud, either as a result of the answers provided or through their general behaviour, they should call the Police immediately who will attend the branch to speak to the customer.

Due to the time that's passed, it is not known what was discussed in branch when Mrs L made the cash withdrawals. This said, Barclays say a scam prevention statement was in place at the time and would've been read before the cash withdrawals were processed.

With this in mind, I need to decide whether Barclays acted fairly and reasonably in its dealings with Mrs L when she made the withdrawals or whether it should have done more than it did.

If the payments were of a sufficient size and were out of character with how Mrs L normally used the account – then we would expect Barclays to have intervened and spoken to Mrs L about the payments.

In the circumstances of this case, I think the withdrawals were of large value and I've not seen anything that shows cash withdrawals were typical of Mrs L's usual account usage. But in any event and perhaps most importantly, even if Barclay's had asked further questions, I'm not persuaded it would realistically have uncovered any reasonable cause to invoke the Banking Protocol.

Mrs L was making the withdrawals which were subsequently given to LH whom at the time, she was convinced she was in a genuine business partnership/arrangement with. The withdrawals were to pay for business related items (to buy stock to fulfil orders received – albeit I recognise it has since come to light that these were orders created by LH). This is a legitimate thing to pay for and it's not particularly unusual for a business to need funds to secure supplies. Even in the event Barclays asked why the supplies were being paid for in cash payments – given what's been shared – that LH's arrangement with the supplier required payment in cash I'm not persuaded this in and of itself ought fairly and reasonably to have caused Barclays concern in this case.

Mrs L knew of LH since December 2022 and had been friends with LH's sister for around ten years. Mrs L has commented that she was brainwashed and believed all that LH had shown and told her about the business. I'm aware Mrs L had gone as far as to set up the business on Companies House – for which she is shown as a director, she also instructed a third party and developed the business logo and some media aspects that were planned to be used in the advertising of the company.

With this and all the other wider circumstances in mind, at the time the withdrawals were made, I think it's fair and reasonable to say that the withdrawal requests would have appeared legitimate to Barclays, and I can't fairly or reasonably say that the branch staff should have been concerned or suspicious.

Based on what I've seen and been told, I don't find Barclays had a good reason to stop Mrs L from accessing her own money, let alone to invoke the Banking Protocol and call the Police. Indeed, it would have been unreasonable for Barclays to take such severe actions in a situation where they had no reasonable cause for concern at the time.

I know Mrs L will strongly disagree with this view and has mentioned she felt pressured to make the withdrawals and then hand the funds over to LH once outside the branch. I'd like to assure Mrs L that I've thought carefully about everything she has told me in relation to the cash withdrawals – that LH attended the branches with her and stood off to the side – far away enough not to look like she was with Mrs L but near enough to hear what she was saying. I also don't doubt what Mrs L has shared with us that had she been asked what the money was for she would not have been able to lie. In reaching my findings on this aspect I am in no way suggesting that Mrs L would not have been honest in the answers she would've likely given to the branch staff. Further, I also acknowledge that Mrs L said she was scared taking the amount of money out that she did and that she would've hoped that the branch would've seen this.

But after careful consideration, I'm persuaded, on balance, that even had the branch staff been aware and acknowledged LH's presence at the branch and asked Mrs L who she was, that Mrs L more likely than not would've shared that she was her business partner and the money was being withdrawn for the purposes of their shared business. That the funds were to be used to buy stock to fulfil the orders received. As I've said, whilst I acknowledge what Mrs L has shared with us about LH's presence at the branches, I think LH's presence could've equally have been seen as reassuring to the bank – that Mrs L's business partner was there to support Mrs L when taking out large sums of money.

Mrs L strongly believes that had Barclays asked more questions and invoked the Banking Protocol that LH likely would've left the branches due to fear and the Police would've broken the spell given the information it had access to about LH. I can't know for sure what would have unravelled at the time, but for the reasons I've explained I don't find that there was reason for Barclay to have invoked the Banking Protocol and call the Police.

I consider this to have been a sophisticated scam, one where Mrs L has been deceived by someone she knew and believed to have set up a genuine business with.

With this, along with the wider circumstances in mind, I don't think Barclays ought fairly or reasonably to have had concerns about the withdrawals Mrs L was asking to make. Further, it is also not the case here – that even if I considered further and better intervention ought to have been made – that this would've made a difference here, for all the reasons I've explained above.

Payment of £6,300

Whilst Barclays was a signatory of the CRM Code at the time Mrs L made the payment of £6,300 in June 2023, the CRM Code specifically excludes payments made to another account owned and controlled by the customer - which was the case here.

I've seen information that shows the payment of £6,300 was sent to an account owned and controlled by Mrs L with another banking service provider. She's shared with us that the funds were then sent onwards as part of the scam from that account.

Irrespective of this, I'd still expect Barclays to be monitoring accounts for signs that its customers may be at risk from financial harm from fraud. For much of the same reasons as I've outlined under my findings in respect of the cash withdrawals, I'm also not persuaded that even had Barclays intervened and asked Mrs L about the payment of £6,300 that this would've made a difference.

As I've set out my reasoning in detail above, I will not repeat it all again here in full. In brief, I'm not persuaded the information Mrs L more likely than not would've shared with Barclays had it asked questions about the payment would've caused the bank concern. With all the circumstances in mind, I think it's fair and reasonable to say that the payment request would have appeared legitimate to Barclays.

Faster payments made to HDH

As part of the wider circumstances involved in this case, Mrs L made two faster payments to HDH totalling £3,000. Having thought carefully about these payments, I'm not persuaded these are covered by the CRM Code. I will now explain why.

For the CRM Code to be relevant to these payments, Mrs L would have to have been the victim of an APP scam, which is defined in the CRM Code as:

...a transfer of funds executed across Faster Payments...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

As Mrs L intended to transfer the funds to HDH, I'm satisfied (i) is not relevant here. In order for the second provision to apply, I'd need to be reasonably satisfied from the evidence that Mrs L transferred funds to HDH for what she believed were legitimate purposes but were in fact fraudulent.

Mrs L's told us the two payments made to HDH totalling £3,000 were to pay LH's rent which she understood would be paid back to her at a later date. From what I've seen HDH is a

genuine company, and I've not seen anything that shows LH had any control or access to the funds sent to HDH. From what I've seen and been told, I'm persuaded Mrs L made the payments to HDH for the legitimate purpose of assisting LH with paying her rent (outgoings) – albeit on the belief that this money would be paid back to her at a later date.

Mrs L has said that these two payments were a part of LH's scam for her to pay for their lifestyle and that while it was a legitimate company it was still a scam.

I'd like to assure Mrs L that I acknowledge her view and her strength of feelings on this point. But after carefully considered the definition of an "APP scam" as defined under the CRM Code, on balance, I'm satisfied Mrs L sent the two payments totalling £3,000 to the person she intended to – HDH, and that the funds were sent for legitimate purposes.

So, it follows, that I don't find - for these two payments to HDH- that Mrs L fell victim to an APP scam.

Recovery of the funds

As set out above, a large number of the payments Mrs L made were cash withdrawals. As the funds were essentially withdrawn from the account and passed onto LH in cash, recovery would fall outside of Barclays's control. So, there's nothing I'd have expected Barclays to do in an attempt to recover what Mrs L lost in respect of the cash withdrawals made.

For the payment Mrs L made to another account of hers – she's told us that once these funds were received, she then made a payment out of that account. As Mrs L has confirmed the funds were sent onwards from that account, I don't find there is anything more Barclays could've done to attempt to recover these funds.

Summary

I'm enormously sympathetic to the position Mrs L finds herself in and I am sorry to have to deliver this news to her. She has clearly been very badly let down by LH – a person she knew and that it's had a tremendously significant impact on her – and still is. I do want to emphasise that I am in no way blaming Mrs L for what happened here. But in order for me to find Barclays responsible for Mrs L's loss, I'd need to be satisfied that the loss was a result of something Barclays did, or something that it ought to have done and didn't do. But for the reasons I've explained within this decision, I haven't concluded Barclays could have prevented the loss or are liable in some other way.

My final decision

My final decision is that I don't uphold this complaint against Barclays Bank UK PLC trading as Barclays.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 18 February 2026.

Staci Rowland

Ombudsman