

The complaint

Miss E is unhappy that Barclays Bank UK PLC (“Barclays”) won’t refund her the money she lost after she fell victim to an Authorised Push Payment (“APP”) scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it in detail here, but in summary I understand it to be as follows.

In or around December 2025 Miss E, through a well-known social media platform, came across an investment opportunity, that interested her, with a company I’ll call “E”. Miss E had said she’d been following somebody on social media for a number of years and the investment came up on their profile, so she trusted what she saw.

Miss E expressed an interest and was then contacted by somebody. She was told the investment, which involved a network marketing programme, would offer fluctuating returns, but she believed that these would be between 8 – 30% monthly. Miss E has said the investment looked interesting and ‘wealthy’.

Miss E has said that she carried out some research and satisfied with what she saw, she decided to invest. But unknown to her at the time she was dealing with fraudsters, and she was falling victim to an investment scam.

Between 4-12 December 2023, Miss E made ten payments from the account she holds with Barclays, totalling £20,000 (ten payments of £2,000). Barclays intervened on the initial payments Miss E made but, after discussing things with her, Miss E was allowed to progress with her payments.

In early 2024, Miss E did see some returns from E. Between January and May 2024, she received payments of just over £5,000 from E into her Barclays account. However, she realised she’d been scammed when her account balance went to a minus and she was unable to make any further withdrawals. Alongside this, she learned that other people had also been scammed.

Miss E raised the matter with Barclays. It considered the claim under the Lending Standards Board’s Contingent Reimbursement Model Code (CRM Code), but it didn’t think it was liable for the money Miss E had lost. In summary, this was because it didn’t feel Miss E had a reasonable basis for believing that this was a genuine investment. Alongside this it said it had taken the appropriate steps in speaking to Miss E. Overall, it didn’t think there was any wrongdoing on its part.

Unhappy with Barclays response, Miss E brought her complaint to this service. One of our Investigators looked into things but didn’t think the complaint should be upheld. In summary, this was because he thought there was enough going on that ought to have led Miss E to have had some concerns about the transactions she was making and that she should have taken further steps before making the payments. Alongside this, given the answers Miss E

gave Barclays when it spoke to her, our Investigator didn't think Barclays would have likely been able to identify a cause for concern.

Miss E didn't agree with our Investigator's view. In summary, she said that she believed the investment was legitimate and that she had taken reasonable steps to verify this. As well as this, Miss E said that she was vulnerable at the time due to her health.

As 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.

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 be good industry practice at the time.

When thinking about what is fair and reasonable in this case, I've considered whether Barclays should have reimbursed Miss E under the provisions of the CRM Code and whether it ought to have done more to protect Miss E from the possibility of financial harm from fraud.

I'm persuaded that Miss E has fallen victim to a scam. But this isn't enough for her to receive a refund. Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that*:

- The customer made payments without having a reasonable basis for believing that: the payee was the person the Customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.
- The customer ignored what the CRM Code refers to as an "Effective Warning" by failing to take appropriate action in response to such an effective warning.

*There are further exceptions within the CRM code, but these don't apply here.

I recognise that Miss E has been the victim of a crime here. She has been deceived by a scam that led her to believe she was investing her money and would make large profits. She has been left out of pocket by a significant sum as a result of this scam.

I'm sorry to disappoint Miss E but, having considered everything, I agree with the Investigator's conclusion that Miss E made these payments without a reasonable basis for believing the investment to be legitimate. I'll explain why;

- The returns Miss E had been promised were exceptionally generous – she was told she could earn a return of 8 to 30% per month (which is a potential annual return approaching 400%). I'm afraid such a promise was unrealistic and Miss E ought to have treated it with greater scepticism.
- What Miss E was being offered was implausible to the point of being too good to be true. And I'm not persuaded Miss E was provided with, nor asked for, a persuasive answer as to how this could be achievable.

- I'm mindful that Miss E did receive some returns, which understandably would have been reassuring. However, her returns were not received until after she'd made the last of her payments to E – so while, I might understand how this might have influenced future payments, the returns wouldn't reasonably have impacted Miss E's decision making on the payments she did make.
- Evidence I've seen suggests that ahead of making the payments Miss E was aware of some negative reviews regarding E, including around people having difficulties making withdrawals. So, I think Miss E ought reasonably to have had her own doubts, but rather than act on these she proceeded and took what she was being told at face value.
- Furthermore, the investment opportunity was introduced informally through a social media contact, and there was no formal contract or documentation alongside it. The lack of formalities should have also prompted Miss E to be more cautious.

I can understand how in isolation any one of these things may not have prevented Miss E from proceeding and I accept that Miss E did sincerely believe that she was making those payments in order to earn a profit. But when taken collectively I think there were sufficient unusual factors here that Miss E ought to have acted far more cautiously than she did. I'm satisfied, therefore, that Miss E didn't have a reasonable basis for believing she was making payments for a legitimate investment.

I've also considered whether Barclays met its standards under the CRM Code in terms of the warnings it provided to Miss E when making the payments. The code also says;

“The assessment of whether a Firm has met a standard or not should involve consideration of whether compliance with that standard would have had a material effect on preventing the APP scam that took place”

In the circumstances of this case, I don't think better warnings or intervention by Barclays would have made a difference here and I'm persuaded there is convincing evidence to support this finding.

Barclays did speak to Miss E on two occasions ahead of the initial payments being released. I don't think any further probing or questioning would have likely led to Miss E to undertaking any further research or would have led her to suspect she was being scammed.

I say that as where Barclays did intervene and discuss the payments with Miss E, she assured the agents that she had carried out plenty of research and that the payments she was making were legitimate. Alongside this Miss E seemed frustrated with Barclays intervention, confirming to it that she wanted the payments to go ahead and explaining that it was her money and she should be able to spend it as she pleases.

From what I heard, Miss E was very confident about the investment she was making, she placed a significant amount of trust in the fraudsters and Miss E seemed determined to make the payments. And I think that's what she would have done irrespective of any further warnings or questioning, so even if Barclays warnings and questioning had gone further than they did, I'm not persuaded it would have had a material effect on preventing the scam.

In her submissions, Miss E has kindly shared some details of her circumstances. I thank her for this, and I am sorry that this has been a difficult time for her. I have considered what Miss E has told us and whether she was vulnerable under the CRM Code. If she were, the exceptions to reimbursement would no longer apply here.

Miss E has provided us with evidence showing that at the time she was suffering from some health problems. However, the code says that *“a Customer is vulnerable to APP scams if it would not be reasonable to expect that Customer to have protected themselves, at the time of becoming victim of an APP scam, against that particular APP scam, to the extent of the impact they suffered.”*

I'm very sorry to hear how badly this has affected her, and I've taken that into account. However, from what Miss E has said about her actions and decision-making at the time of the scam, I'm not persuaded that her capacity was impacted to such an extent during that period that her judgement was impaired. She was able to engage with the scammers and attempt to verify the company.

There is nothing to suggest that Miss E couldn't have immediately recognised both the initial offering and the subsequent alleged returns as highly improbable. The evidence shows that Miss E was aware of some negative reviews about E but appears to have accepted what she was told at face value. It doesn't appear that she was in a high-pressure situation and the fraudster wasn't coercing her to make payments quickly. And so, I don't believe there is enough to say that Miss E was unable to protect herself. As a result, I'm not persuaded that she was vulnerable in the relevant sense under the CRM Code.

The CRM Code does not represent the full extent of the obligations on Barclays. The Code can provide additional protection where it is relevant. Nonetheless I have also considered whether there is any reason that Miss E might be entitled to reimbursement outside the provisions of the CRM Code. But I don't think Barclays failed to meet the other obligations it was under, or that Barclays should be liable to reimburse Miss E for another reason.

For the sake of completeness, I've also looked into whether Barclays did everything I'd have expected in terms of recovering Miss E's funds. I can see that it did contact the receiving bank in an attempt to do so. Unfortunately, it wasn't able to recover any of the money Miss E had lost.

I don't say any of this to downplay or diminish the fact that Miss E has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for her and the position she's found herself in. However, my role is limited to looking at the actions and inactions of the bank and I'm satisfied it didn't do anything wrong here in declining her claim when considering the CRM Code.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 7 May 2026.

Stephen Wise
Ombudsman