

The complaint

Mr A, who brings his complaint with the assistance of a representative, is unhappy that Barclays Bank UK Plc won't reimburse money he lost to fraud.

What happened

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

In or around September 2020, Mr A was introduced to an investment opportunity in a business I will refer to as Company M. The investment involved the provision of loans to persons and businesses based abroad, with profits being shared among investors.

Mr A decided to invest and between 23 September 2020 and 17 May 2021 made five payments from his account held at Barclays to the investment scheme's organiser.

Between 30 April and 2 June 2021, Mr A saw ten credits paid to his account as returns on that investment. But returns ceased and the investment scheme's organiser claimed she could no longer fund the business. Contact eventually ceased and a video was found on a website claiming the organiser was being investigated for fraud abroad.

Believing he'd been the victim of fraud, Mr A raised a claim with Barclays. But after considering his claim, Barclays found that it was not liable to reimburse Mr A his outstanding loss.

Unhappy with the outcome of his claim, Mr A's complaint was referred to our service for an independent review. And after considering the evidence provided, an Investigator recommended that Barclays partially reimburse Mr A his loss for failures to sufficiently protect him from fraud.

Barclays disagreed with that assessment, so the matter was passed to me to decide.

Prior to issuing these findings, I contacted Mr A's representative to put it on notice I was intending to reach a different outcome to that of the Investigator. In summary, I pointed out that, at present, no evidence had been provided to support the assertion that Mr A had been the victim of fraud.

Mr A's representative has now had an opportunity to respond to my provisional findings, so I can now issue my 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 have been good industry

practice at the time.

There is no dispute here that Mr A authorised the transactions in question. And the starting position in law is that he will be held liable for the transactions 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 Lending Standards Board's 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 Mr A 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 Mr A his loss from a bank transfer where the matter is deemed a civil dispute; such as where he paid toward a legitimate investment that has failed.

Having reviewed the evidence carefully in this case, I cannot reasonably find that Mr A has likely been the victim of fraud here.

The primary—and only—evidence provided by Mr A's representative that Mr A has been a victim of fraud is an unverified video published online by a news channel in 2022 claiming that the operator of Company M was under investigation for fraud by a financial crime commission based abroad. I have been unable to find any verifiable or official publications supporting this claim. Nor is there any evidence online of any follow-up action taken as part of that investigation.

Nevertheless, even were I able to verify such an investigation was ongoing, this does not amount to proof Mr A has been the victim of fraud. Investigations are designed to gather evidence and obtain an account from the suspected offender. And that will go toward uncovering the intentions of that individual, which may or may not lead to their prosecution.

Mr A's representative has argued that our service ought to be making a finding on the balance of probabilities, that is, where we find that the complainant has more likely than not been the victim of a fraud. But here, I find the evidence falls below that standard of proof.

What I can see from the evidence provided is that Mr A made transfers to an account in the name of an individual that correlates to the person he was speaking with regarding the investment opportunity. Our service has had sight of the receiving bank statements associated with that account, and while I am unable to disclose specific information about that account—as it pertains to a third party—, this has not revealed any substantive evidence supporting that a fraud has taken place.

Furthermore, Mr A received credits from the investment opportunity consistently for eight months after he'd agree to invest. And these credits equate to circa 85% of the total amount Mr A sent in investment payments.

Mr A's representative has argued that Ponzi scheme's typically see large returns being paid to investors: and I would agree with that point. But there is currently little to no evidence to support that this was a Ponzi scheme at present. Our service would need to have full access to the financial accounts, and linked payments accounts, to see if investor funds were being

paid to other investors—rather than being paid toward loans abroad—, which our service does not have the legal capability or resource to obtain and assess.

Lastly, Mr A's representative has made reference to other complaints that have been brought to this service, pointing to the different outcomes that have been reached under similar circumstances. I cannot comment on the cases it has referred to, nor the evidence that has been relied upon to reach those outcomes. I can only consider the complaint in front of me and the evidence that had been provided in support of it. And having done so, I'm not persuaded that these circumstances are covered by the provisions of the CRM Code. It therefore follows that Barclays cannot reasonably be held liable for Mr A's losses.

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 Mr A to accept or reject my decision before 3 March 2026.

Stephen Westlake
Ombudsman