DRN-6108004

The complaint

Mr M, who is represented, complains that Barclays Bank UK PLC won't reimburse him 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 late 2024, Mr M came across an investment opportunity online through a company I will refer to throughout my decision as 'Company G'. After speaking with a representative of that business, Mr M understood that he was investing in crypto assets.

Happy to proceed, Mr M was persuaded to make a number of transactions from his Barclays account toward that investment. Those payments were funded by Mr M's own money, and loans he'd been persuaded to take out by a representative of Company G.

Mr M became suspicious when an additional loan was attempted to be taken out in his name without his authority. When he challenged representatives of Company G regarding this, he was threatened with having his data misused and utilities at his home address cut off. Mr M was told to pay additional fees to have his funds released, which he complied with.

Mr M was then contacted by persons purporting to act in anti-money laundering enforcement and was told to pay additional fees before his funds could be released. At this stage, Mr M had no further funds to give, and so contact ceased. Mr M then realised he'd been the victim of fraud and reported the matter to Barclays via his representative.

Barclays were unable to investigate Mr M's complaint, as it says it wasn't provided the appropriate authority by Mr M's representative. So the matter was referred to our service for an independent review. An Investigator considered the evidence and testimony provided by both parties, but concluded that Barclays wasn't liable for Mr M's losses.

Mr M's representative disagreed with that assessment, so the matter 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.

Considerations

There is now no dispute that Mr M authorised the transactions in question. And the starting position in law is that Mr M will be held liable for the transactions he 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, 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.

Considering the above, Barclays ought reasonably to have been on the lookout for any transactions that would indicate Mr M was at risk of financial harm from fraud. And where it identifies a risk, it ought reasonably to intervene in that payment, ascertain the purpose of it, and provide warnings proportionate and relevant to the risks presented.

Barclays was also a signatory to the Lending Standards Board's Contingent Reimbursement Model (the CRM Code) at the time the payments were made. Under that Code, firms are expected to reimburse customers that are victim of fraud, subject to a number of conditions and exceptions.

There has been suggestion that some of the payments Mr M made were paid to crypto asset accounts held in his name—although it must be added that no evidence has been provided to support this suggestion. Payments to accounts controlled by the payer aren't covered by the CRM Code. However, to avoid overcomplication, and because I do not find that this alters the outcome of the complaint in front of me, I will address all payments holistically.

Can an exception to reimbursement be relied upon here?

The CRM Code exceptions to reimbursement that are relevant to this case are where evidence supports that Mr M:

- made the payments without a reasonable basis for believing that they were for genuine goods or services, or the person or business with whom he transacted with was legitimate.
- ignored effective warnings.

At the inception of this fraud, Mr M has admitted that he could find no information online about the limited company or person he was dealing with as part of the investment opportunity. Mr M says that this lack of online presence caused him to question the representative of Company G, who reassured him that this was due to the business being based abroad. However, it would appear that Mr M took this response at face value, and no further research was carried out to ensure he was dealing with a legitimate firm.

Further, other than chats between Mr M and representatives of Company G, I have seen no evidence regarding the investment terms Mr M had agree with them, nor any promotional material setting out the company's trading strategy or what its intentions were with Mr M's money, something I would have expected a legitimate investment firm to provide.

The chats Mr M has provided are also not indicative of a conversation with a legitimate investment firm. The representative refers to Mr M in language one would not associate with a professional organisation. And they also appear to guide Mr M through payments, instructing him to be dishonest with the bank regarding the purpose of those payments: something Mr M ought to know a legitimate firm would not do. This is also relevant where Mr M was instructed to take out loans to fund the investment, and he likely would have been instructed to be dishonest as to the purpose of these loans also.

Moving to latter payments, it is clear Mr M was warned on several occasions he was likely the victim of fraud. He was both told by representatives of Barclays and the Police that he'd been the victim of fraud, yet Mr M refused to heed warnings from professionals and continued to make payments.

I do understand, and have given due consideration to the fact, that Mr M was subjected to social engineering by experienced fraudsters. But the CRM Code requires me to consider if his payments were made with a reasonable basis of belief that he was dealing with a legitimate business.

I'm sorry to disappoint Mr M, but the above combined factors cannot reasonably draw me to conclude that his belief was a reasonable one. For that reason, I find that the above exceptions to reimbursement can be relied upon.

Should Barclays have done more to protect Mr M?

As well as the general considerations I have set out above, the CRM Code requires that signatories, such as Barclays, must also adhere to standards. These include taking reasonable steps to protect its customers from fraud and provide effective warnings where risks are identified.

It is clear that Barclays carried out a substantial number of interventions in this case at varying stages. These range from calling Mr M, telling him he'd need to attend branch, specially pointing out that he'd likely been the victim of fraud, and even contacting the Police to talk with Mr M about the payments being made.

In earlier payments, interventions were rendered ineffective due to Mr M not being truthful when asked questions about the investment he was participating in. I have listened to several of these calls and Mr M is confident and detailed in his responses to Barclays when questioned. His untruthful answers were plausible, and Mr M even acknowledged some of the risks associated with investments found online and pointed to known risks he would always avoid.

These detailed responses, along with reassurances that he was experienced and knowledgeable in such matters, clearly provided the representatives of Barclays sufficient reassurance and confidence Mr M was not a victim of fraud.

Later payments turned to Mr M using differing reasons for making the payments, other than investments. Again, Mr M seemed to have comprehensive and well thought out cover stories for these payments. These cover stories were plausible, and he confidently answered challenges and concerns. Again, these thwarted any fraud concerns the representatives had.

These interventions became increasingly suspicious as representatives noticed a pattern of expenditure that concerned them. Mr M was refused payments until he attended branch and ultimately was told by members of staff that he was likely a victim of fraud. Barclays eventually contacted the Police who met with Mr M in person and told him that he was likely the victim of fraud, but notes on Mr M's account from the Police suggest Mr M wished to continue making payments and was willing to sign a disclaimer to this effect.

It is clear from the evidence I have seen that Barclays' interventions from the first payment made were proportionate, and increased proportionately in line with the heightening risk that presented itself with each payment. Unfortunately, due to Mr M's convincing responses, and later, unwillingness to heed warnings that he was being defrauded, Barclays and the Police were unable to persuade Mr M to cease payments, despite their best efforts.

Mr M's representative has pointed to a call it has listened to between Mr M and Barclays where the payment was refused due to suspicions he was a victim of fraud. Mr M's representative has argued that had Barclays carried out similar interventions, it would have been successful in preventing the payments.

I have considered this submission carefully, but do not agree. Mr M's representative has characterised other calls in its submissions as containing obvious fraud risk in Mr M's responses, but I do not share that opinion. Even as an experienced fraud professional, I found Mr M's responses persuasive and plausible, so I can understand why representatives of Barclays expressed no concern when processing many of the payments.

Mr M's representative has also argued that Barclays ought to have refused any further payments after realising Mr M was being defrauded. Having looked at the contact notes relating to Mr M's account, I can see that Barclays did do exactly that. They informed Mr M that they would not process any further payments relating to investments. And Barclays are limited in how much it can do to protect its customer while allowing them access to their own funds.

For all the above reasons, I find Barclays had done all it could have done to protect Mr M and provide warnings. It therefore follows that Barclays have met the standards set out in the CRM Code.

Vulnerability

While Mr M's representative has not argued with our Investigator's findings that Mr M is not eligible to be reimbursed under the CRM Code's vulnerability clause, I wanted to briefly address this point for the avoidance of doubt.

I understand Mr M was undergoing a number of medical procedures during the period of time he was subjected to this fraud. And I understand Mr M was alarmed when he'd heard from his financial advisor that he didn't have sufficient money to fund his retirement, resulting in him seeking other opportunities to increase his assets. But I agree with the Investigator's assessment that this is not sufficient to meet the CRM Code's definition, which states 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."

The fraud committed against Mr M was done so over a considerable period of time, without significant pressure and with periods of time between to reflect and consider the circumstances. Mr M was able to create and maintain detailed and convincing cover stories for the payments he was making, and seemingly remained astute throughout his encounters with Barclays and the Police.

While I have no doubt that Mr M's health conditions and financial worries impacted his mental wellbeing at the time, I don't find that these went as far as preventing him from being able to protect himself.

I am sorry that Mr M has been a victim of fraud; I understand it has had a serious and likely lasting impact on him. But I am only able to ask Barclays to reimburse that loss where it is either required to do so, or where it could have prevented that loss. As neither apply in this case, I cannot reasonably direct it to do so.

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 M to accept or reject my decision before 19 March 2026.

Stephen Westlake
Ombudsman