

## **The complaint**

A company, which I'll refer to as L, complains that Barclays Bank UK PLC ('Barclays') won't reimburse funds it says were lost to a scam.

Ms R and Mr H, who are directors of L, bring the complaint on L's behalf.

## **What happened**

The facts of the case are well known to the parties and were set out in the investigator's view, so I will only cover them very briefly here.

Ms R and Mr H say that they saw an advert on a property investment platform about a rent-to-rent scheme with a company I'll call E in this decision. They were interested in investing on behalf of L and called E. L entered various agreements with E between February 2023 and January 2024 and paid E £112,500. Credits of £3,000 were paid to L's Barclays account. I understand payments were also made from another business account and returns were paid to that account. When returns weren't paid and representatives of E stopped responding Ms R and Mr H became concerned.

In October 2024 Ms R contacted Barclays to raise a scam claim. Barclays said L had a civil dispute with E and it wasn't responsible for the loss.

Ms R and Mr H, acting for L, were unhappy with Barclays' response and brought a complaint to this service.

The investigator who considered L's complaint didn't recommend that it be upheld. He said there was insufficient evidence to conclude L was the victim of a scam and that Barclays wouldn't have had any concerns at the time the payments were made.

Ms R and Mr H didn't agree with the investigator's findings, so L's complaint has 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.

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 also take into account what I consider to have been good industry practice at the time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

Ms R and Mr H have referred to Payment Service Regulator's reimbursement rules. In 2024, the PSR required the Faster Payments scheme operator (PayUK) to change the Faster Payment Rules to require the firms that operate over Faster Payments to reimburse their customers sums paid as a result of APP (authorised push payment) scams in certain

circumstances. These rules came into force on 7 October 2024 and are not retrospective, so I won't be considering them here.

At the time the payments were made, Barclays was a signatory to the CRM Code. 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.

I have considered whether L's claim falls within the scope of the CRM Code, which defines an APP scam 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) (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

It is for Ms R and Mr H, on behalf of L, to demonstrate that L is the victim of an APP scam.

To decide whether L is the victim of an APP scam as defined in the CRM Code I have considered:

- The purpose of the payments and whether Ms R and Mr H thought this purpose was legitimate.
- The purpose the recipient (E) had in mind at the time of the payments, and whether this broadly aligned with what Ms R and Mr H (acting on behalf of L) understood to have been the purpose of the payments.
- Whether there was a significant difference in these purposes, and if so, whether it could be said this was as a result of dishonest deception.

Ms R and Mr H, on behalf of L, thought they were investing in a rent-to-rent property investment scheme. I haven't seen anything to suggest that they didn't consider this to be a legitimate purpose.

I've gone on to consider the available evidence and E's purpose in taking L's funds. Having done so, I'm not satisfied that Ms R and Mr H have demonstrated it's more likely than not E had a different purpose in mind or that there was fraudulent intent.

I can see that E was a registered company that was incorporated in April 2022. The First Gazette notice for compulsory strike off was filed in July 2025 and E was dissolved in November 2025. So, at the time L's funds were invested, E was an active company. Ms R and Mr H say that it's clear E acted fraudulently because it was struck off, but I don't agree. There are genuine reasons why a company may be struck off.

Whilst Ms R and Mr H, acting on behalf of L, say that E didn't use L's funds for the intended purpose, they haven't provided persuasive evidence in support. By contrast, as the investigator set out in his view, I have seen confidential information that I'm unable to share for data protection reasons which shows funds being used in the manner expected.

Payments are sent to and from the property management company involved ('G'), and to third parties linked to the operation of a genuine business in the property sector. The payments are consistent with E's nature of business.

Ms R and Mr H have only provided a Joint Venture Agreement in respect of the last two payments made to E (in January 2024) and say that not all agreements were the same. Some agreements seen by this service say that the returns are subject to E receiving payments from the management company. The agreements also say that E wasn't responsible for the risk of non-payment by the management company/guests/landlord, but E would do its best to recover payments from these parties.

I'm sorry L hasn't received returns as expected as I realise how devastating this has been for Ms R and Mr H. The fact returns weren't paid isn't enough to bring L's claim within the scope of the CRM Code though. Businesses can fail for many reasons including poor management and the breakdown of relationships. I haven't seen anything to persuade me that it's more likely than not L didn't receive returns because of fraud rather than factors like these, and I note that E told investors that there were issues with receiving funds and with G.

Ms R and Mr H have said that E took on new investors while unable to pay current investors. If this was the case, I'm not persuaded it was done with the intent to defraud. Companies in financial difficulty can take steps to improve their position. In the absence of other persuasive evidence, I don't think this demonstrates E was operating a Ponzi scheme.

The other evidence provided by Ms R and Mr H doesn't persuade me that it's more likely than not E was operating a scam. They have said that one reason E gave for not paying returns was that a boiler wasn't working. As this same reason was given to another investor, Ms R and Mr H believe another investor was sold the same investment. I can't fairly draw the same conclusion. They also say that the company that introduced them to E removed E in April 2024 and advised customers to take legal action. I don't think this is evidence of fraud. And the fact a director formed other companies which are also being struck off could indicate poor financial management rather than fraud.

Finally, I've not seen any evidence to suggest the police are investigating the actions of E or evidence from any other external organisation which concludes that E intended to use L's funds for a different purpose to the one agreed. Ms R and Mr H say that the police are making some enquiries, so this position may change.

Having carefully considered all the evidence provided to me, I'm not persuaded there is sufficient evidence to conclude that the purpose E had in mind when it took L's payments was different to Ms R and Mr H's (whilst acting for L). So, I consider Barclays acted fairly in not considering L's complaint under the CRM Code. Given this, Barclays didn't need to contact the banks that received L's funds to attempt to recover them. In any event, I consider recovery would have been most unlikely given the time that had elapsed between the payments being made and the report made to Barclays.

I've gone on to consider whether there is any other reason I can require Barclays to reimburse L. Barclays 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 losses for the customer.

Whilst in the six-month period before the payments from L's account to E there were two £5,000 payments on consecutive days, I think the payments in February 2023 became unusual. Over a four-day period, four payments were made which added up to £25,000. So I think Barclays ought reasonably to have satisfied itself that L wasn't at risk of financial harm by the time the third or fourth payment was made.

I can't uphold L's complaint solely on the basis Barclays didn't intervene. I need to go on to consider causation – whether suitable intervention would have made a difference to Ms R and Mr H's decision making or Barclays could have reasonably prevented the loss. I'm not persuaded it could. E was a registered company, Ms R and Mr H had received documentation, and there was nothing in the public domain at the time to suggest Barclays should have been concerned that L might be falling victim to a scam. I also don't think that if Barclays had looked at E's Companies House filings, as Ms R and Mr H say it should have, it would have had any concerns about the changes of director and registered office address they have highlighted.

Ms R and Mr H say Barclays has treated them unfairly in not reimbursing L's loss. They say another investor who paid less to E has been reimbursed and that when they first reported what had happened the Barclays agent said she would reimburse them, but due to the value

the decision would be made by someone higher up. They think the decision not to reimburse L was driven by the value of the claim rather than its merits. It's common for banks to escalate higher value claims to specialist teams so I don't think this was unusual or that it shows that Barclays has discriminated against Ms R and Mr H/L. And I can only consider the individual merits of L's complaint. If for whatever reason Barclays has chosen to reimburse another customer, that doesn't mean I can require it to reimburse L.

Overall, whilst I'm sorry L has lost a substantial amount of money and to hear about the impact this has had, I can't fairly hold Barclays responsible for the loss.

### **My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 16 March 2026.

Jay Hadfield  
**Ombudsman**