

The complaint

Mr H complains that Barclays Bank UK PLC ('Barclays') won't refund him the money he lost, to what he believes to be an Authorised Push Payment ('APP') investment scam.

Mr H is professionally represented in bringing his complaint to our service, but for ease of reading I'll refer to all submissions as being made by Mr H directly.

For completeness, I'm aware Mr H has another complaint with our service, in relation to payments he made from a currency account he holds with Barclays. I make no findings as to those payments within this decision, which is about the payments Mr H made from his Barclays account ending 7304.

What happened

The background to this complaint is well known to both parties and has been laid out by our Investigator in their view, so I won't repeat everything again here. But, in summary, I understand it to be as follows.

After attending an event in late 2022, Mr H was introduced to an investment opportunity I'll refer to as 'B'. Mr H understood the premise of the investment to be that investor funds would be deposited for the purpose of generating profits through matched/ sports betting.

Between November 2022 and January 2023, Mr H made numerous payments totalling £300,000 towards the investment fund. The bets would be placed on his behalf by the fund manager who I'll refer to as 'W'.

From January 2023, Mr H was successfully able to make several withdrawals, totalling around £150,000.

Mr H says he realised he'd fallen victim to a scam when in early May 2024, communication was received from W to say the company had ceased trading. Mr H was unable to withdraw further funds after this date.

Mr H contacted Barclays about the matter. Barclays in its letter of 25 November 2024, said a scam claim had not yet been raised with its fraud department and so, it was unable to investigate the matter. It says Mr H's issues were investigated as a concern and, therefore, no final response letter was issued.

Unhappy, Mr H brought the matter to this service. One of our Investigator's looked into things but didn't think the complaint should be upheld. In brief, it was our Investigator's view that the evidence didn't support that the payments were made as the result of an APP scam, so he didn't think that Barclays' were liable to refund the remaining money that had been lost. He thought the information suggested that B was a failed investment and a private civil dispute.

Mr H didn't agree with our Investigator's view. In summary, he maintained what had happened was a scam and that Barclays' should have done more to protect him.

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.

In his submissions and in his response to our Investigator's view, Mr H has provided some detailed arguments, as to why he thinks what has happened is a scam and why he thinks Barclays' is liable to reimburse him the remaining money he's lost.

I won't be responding in kind, and I won't necessarily go through every single point on a strict point-by-point basis, nor go through all the potentially relevant rules line-by-line, as a court might. I'm very 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.

I'm sorry to hear about what's happened to Mr H. It's clear he's lost a significant amount of money here. I also don't underestimate the impact of what has happened has had on Mr H, not only financially but mentally and emotionally too. It's then with regret that I have to tell him this service is unable to help recover his remaining losses.

Having carefully considered all the available evidence, I'm not upholding Mr H's complaint. I have come to the same overall outcome as our Investigator and for similar reasons. I'll now explain why.

Within Mr H's response to our Investigator's view, he's raised that an unduly narrow view of deception under the Contingent Reimbursement Model Code ('CRM Code') has been applied.

Barclays was a signatory to the CRM Code, which was in place at the time Mr H made these payments. Signatories to the CRM Code were generally required to reimburse customers who fell victim to APP scams, except if a limited range of exceptions applied. However, the CRM Code didn't apply in all cases. In order for Mr H to benefit from its provisions, what happened here has to meet the relevant parts of its definition of an APP scam. In other words, these payments must have been ones where Mr H "transferred funds to another person for what he believed were legitimate purposes, but which were in fact fraudulent."

The CRM Code is also explicit that it doesn't apply to private civil 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."

Banks also have various and long-standing commitments to be alert to fraud and scams and to act in their customers' best interests. But these are predicated on there having been a fraud or scam. So, my first consideration must be whether Mr H has fallen victim to an APP scam.

To find that this was fraud, I'd expect (a) there to be a misalignment between the purpose for which Mr H made the payments and the purpose for which it was procured; and (b) that difference to have been due to dishonest deception.

The key consideration here is what the intentions were of the recipient. Here the funds were intended to go to B, albeit it would seem they were sent to an account that wasn't held in B's name. Obviously, I can't know what the intentions were for sure, so I have to look at what the other available evidence shows and use that to infer what the intentions likely were.

It is worth noting that the threshold for establishing fraud is a high one. In criminal proceedings, the standard of proof is "beyond reasonable doubt," but this service assesses cases using the civil standard of proof, which is based on the balance of probabilities. Under this standard, a finding of fraud must be "more likely than not". Even so, the bar remains high.

Further, I have to keep in mind that not every complaint referred to this service in relation to an investment is in fact a scam. Some complaints that we see involve investments that resulted in disappointing returns or losses. While some investments may be sold using sales methods, or have terms and conditions, that customers think are unfair or misleading, that doesn't always amount to fraud.

Based on everything I've seen and been told, I'm not persuaded I can safely say that it is more likely than not that the firm linked to the investment Mr H made deliberately tricked him into making these payments and that it had no intention of providing a return on the investment. I say this because:

- Our investigator shared that the entities involved in the agreement appear to have legitimate company registrations. When looking at the participation agreement Mr H signed, I can see it sets out the terms upon which the manager – I'll refer to as 'QS' agree to manage B for Mr H (the participant). Having searched QS it shows as incorporated on the Isle of Man companies registry with an incorporation date of December 2021.
- Further, when carrying out my own online research for B, QS or another company linked to W, I've not seen any negative reviews. As such, I've not seen any information that points or suggests B or associated parties were not operating legitimately.
- While I've noted above that the account Mr H made his payments to was not in B's name, I'm mindful that the payments were made to a business account. And while I cannot share the details relating to a receiving account due to data protection, I can say that from what I have seen, there appears to have been no concerns about the receiving account at the time Mr H made these payments.
- I also note, Mr H has made reference to earlier representations about the low-risk or risk-free arbitrage and reliable withdrawals were misleading. The participation agreement for B, which Mr H has shared, asked potential investors whether they "*have the financial ability to bear the economic risk*" and also explains that B was "*non-regulated and not subject to the supervisory or regulatory requirements and rules of any regulatory body or other authority*". Further, the agreement Mr H signed shows that he was entering into an investment whereby the fund manager placed matched betting bets on behalf of investors. I don't doubt that there may have been some questionable sales tactics, but from what I've seen it doesn't appear that the investment was being wholly promoted as without risk. And while I recognise Mr H

incurred a significant loss, he was also able to successfully withdraw a substantial sum of around £150,000 from the investment, which is not a typical characteristic of a scam.

- I'm aware Mr H's said he feels our Investigator has placed substantial weight on the interim credits as evidence of legitimacy. He adds that partial repayments are equally consistent with inducement mechanisms designed to maintain confidence and encourage continued funding. I do acknowledge that some frauds will include victims receiving payments, to entice them to send more, and there may be situations within a 'Ponzi scheme' where some people benefit at the expense of others. I don't completely rule that out. However, it is an equally possible hypothesis, in the circumstances here, that this was an investment that had initially performed and been able to deliver in line with expectations but then failed.
- The documentation Mr H received and has shared appears to be professional, and he received confirmation for the payments he made, as well as regular updates. Ultimately, the documents provided to me do not clearly evidence that B was orchestrating a scam investment in order to induce payments from investors with no intention to use the funds as intended. The communications are largely acknowledgements of receipt of funds, with some updates to investors.
- Unfortunately, from what I've seen and been told, it appears the firm experienced difficulties and ceased trading, which is a risk one must be prepared to accept when undertaking an investment. It is not unusual for legitimate businesses to run into financial challenges, unfortunately it may mean they are unable to meet their obligations. Additionally, I note Mr H was kept informed of the situation with the firm, which is not common with scammers, who in my experience are more likely to hide the matter or stop communication altogether. Further, within communication with Mr H, I note W informed him that an independent advisory firm – I'll refer to as 'Q' had been engaged. Having searched the details within the email, I'm satisfied that Q is a legitimate firm and that the individuals referred to within the email are genuine and linked to Q. While this doesn't rule out the possibility of fraud, this is not usual behaviour for a scammer. More typically, once a scammer has taken money from their victims, they will not reach out to them like this.

Overall, with all things considered, I'm not persuaded that the available evidence supports that it is more likely than not that Mr H has been the victim of a fraud here. As such, I cannot fairly or reasonably require Barclays to reimburse Mr H his remaining the loss.

I'm mindful within Mr H's submissions that he feels very strongly that Barclays ought to have intervened when he was making these payments to B and that had it done so, he feels the loss could've been prevented. I also acknowledge Mr H says that our Investigator's framing as a 'civil dispute' does not address Barclays' prevention obligations when multiple high value APPs occur. He adds that the CRM Code recognises that banks must take steps to detect and prevent APP scams. I've thought carefully about everything Mr H has said on this point. However, as I'm not sufficiently persuaded B was a scam, I can't reasonably say there would have been a reasonable expectation for Barclays to have intervened in Mr H's payments before they were sent.

I'm sorry that Mr H has suffered a financial loss, but I'm not satisfied that I can fairly hold Barclays liable or ask it to refund him the remaining money he sadly lost. I don't say any of this to downplay what Mr H has been through here. He put a lot of trust in what he was told, and he hasn't received what he expected. I have a great deal of sympathy for him and the position he has found himself in.

I also want to make it clear that this decision should not be interpreted as a categorical or

definitive conclusion that he was not the victim of a scam. It remains possible that he was. However, my role requires me to base my findings on the evidence that is available to me. After carefully reviewing all of the material presented and considering the circumstances in detail, I am not satisfied that the high threshold for fraud discussed above has been met in this particular case. While I acknowledge the significant impact this has had on Mr H and the possibility of wrongdoing, the available evidence simply does not allow me to reach such a finding here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 April 2026.

Staci Rowland
Ombudsman