

## **The complaint**

Mr A complains that Barclays Bank UK PLC won't refund money he says he lost to an investment scam.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- It isn't in dispute that Mr A authorised a payment of £10,000 on 10 August 2017 from his Barclays account towards what he believed was a legitimate investment opportunity with a company I'll call 'W'. The payment was requested by him using his legitimate security credentials, and the starting point is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether Barclays should have done more to identify that Mr A could be falling victim to a scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly unusual and out of character.
- I've reviewed Mr A's Barclays statements in the 12 months leading up to his disputed payment. In my judgement, the disputed payment of £10,000 was not sufficiently unusual or suspicious in appearance when considering Mr A's normal account activity. For example, he made several payments valued between £3,000 and £10,000 from February 2017 to May 2017. And so, I don't think Barclays would have been particularly concerned about a single transaction of £10,000 – even if it was to a new payee. This transaction doesn't seem out of character for Mr A and so I don't think Barclays would reasonably have suspected that he could be falling victim to fraud or a scam.
- However, I've noted Mr A's disputed payment occurred in a branch and Barclays recorded notes at the time. The notes suggest that Barclays had a discussion with Mr A about him transferring £15,000 from a separate banking provider to his Barclays account. Mr A explained this payment was to facilitate investment payments to two separate companies and Mr A confirmed he was happy with this.
- In my judgement, as Barclays had the opportunity to discuss the payment of £10,000 with Mr A. It could have reasonably asked some questions about it and the notes suggest that it did. It's clear Barclays was aware that the payment was for an investment opportunity but it's unclear whether Barclays asked Mr A for a bit more detail around the payee and how Mr A had come across the opportunity. But even if it

had, I'm not persuaded it would have reasonably suspected that Mr A could have been falling victim to a scam. There was no credible adverse information reported about W at the time of Mr A's payment. I've noted W wasn't regulated by the FCA but I've also noted that W weren't required to be regulated by the FCA at the time to offer the products it offered. And so, had Barclays advised Mr W to carry out some further due diligence checks, I'm not persuaded he could have found anything to dissuade him from investing.

- I've noted the rate of returns were higher than Mr A may have been able to obtain from a high street bank but that isn't uncommon with unregulated investment opportunities. I accept this may have been high risk and therefore unsuitable for Mr A but Barclays was not obliged to provide him with investment advice. In my judgement, Barclays couldn't have reasonably identified that Mr A could be falling victim to a scam.
- Mr A reported the scam to Barclays several years after his payment. As W had been liquidated, I don't think recovery was an option for Mr A. Mr A confirmed the administrators told him recovery wasn't possible, because of this, I don't think Barclays had any reasonable prospect of recovering his disputed payment even if it had contacted the beneficiary bank.

I recognise this will come as a disappointment to Mr A and I'm sorry that he's lost this money. However, I'm not persuaded Barclays can reasonably be held responsible for his loss.

### **My final decision**

My final decision is, 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 7 March 2024.

Dolores Njemanze  
**Ombudsman**