

The complaint

Mr P has complained that Barclays Bank UK PLC (“Barclays”) hasn’t fully refunded the money he lost as the result of an investment-related scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mr P has used a professional representative to refer his complaint to this service. For the purposes of my decision, I’ll refer directly to Mr P, but I’d like to reassure Mr P and his representative that I’ve considered everything both parties have said.

Mr P says that he was contacted by an individual (“the scammer”) and between October and December 2020 he was persuaded to make thirteen debit card payments of almost £13,000 as part of an alleged investment. He says that Barclays didn’t intervene at any point to warn him about the risks associated with the payments.

Mr P says the scammer was very insistent and contacted him by phone, email, and post, with the single aim of earning commission by persuading him to invest. He says the investment was very high risk and had little prospect of success, and he ultimately lost what he invested.

Mr P made a complaint to Barclays as he said it didn’t fulfil its duty to protect him from the loss he experienced. Barclays upheld the complaint as it agreed it hadn’t done enough. It noted that Mr P had received a partial refund from the company he’d made payments to, so it refunded the remaining loss, plus interest. Barclays reduced the refund by 50% as it said Mr P had demonstrated contributory negligence by not making through enough checks into the investment before sending money to fund it.

Mr P didn’t agree with Barclays’ deduction so he referred the complaint to this service.

Our investigator considered everything and thought the complaint should be upheld. He said there wasn’t evidence to suggest that Mr P could’ve done more before he made the payments, which would’ve led to him not making them. He noted that most of the negative information related with this scam is dated after October 2020, when Mr P had already started investing. So he thought Barclays should refund the remainder of Mr P’s loss.

As Barclays didn’t accept the investigator’s opinion, the case has been passed to me to make a 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'm upholding Mr P's complaint, broadly for the same reasons as our investigator, which I've set out below.

I'm not considering whether Mr P was scammed or what Barclays did or didn't do before the payments were made. Barclays has accepted it should've done more, so the starting point is it should give Mr P a full refund of what he lost.

I've focussed on the circumstances under which Mr P invested, and whether it was reasonable for Barclays to conclude that Mr P was partly responsible for the loss.

Barclays hasn't given much information on what further checks it thinks Mr P should've done and what they'd have uncovered, but neither has Mr P given much information on what he did do, if anything. So I've completed some online searches myself on the company Mr P sent the payments to and having done so, I'm not persuaded that he'd have uncovered the scam, even if he'd done more, so I don't think he was negligent.

Mr P's first payment related to the scam was made on 15 October 2020 and having reviewed search results up to and including that date, there's very little search-engine generated results available about the company Mr P sent the payments to.

I do note that the Financial Conduct Authority added a scam warning to its website about the company. But this wasn't until May 2021, at which point Mr P had already made all of the payments in question, so Mr P wouldn't have found or been aware of that in October 2020.

I've kept in mind that Mr P was cold called, and that's not the typical way that investment opportunities are introduced to customers. It could be seen that a cold call alone is suspicious, but I don't think it's fair to say a cold call in isolation is scam-related, and whilst I'd therefore expect this to be one of the factors a customer takes into account, I wouldn't expect it to be the only factor in deciding whether to deal with a company.

With this in mind, I think even if Mr P had been suspicious of the call and done some further research before deciding to invest based on what he'd been told by the scammer, he wouldn't have uncovered anything that concerned him enough to make him decide not to invest.

Barclays says that there were several negative reviews available on a particular review website at the time Mr P invested. But having reviewed the reviews for the company in question, I can see there were seven five-star reviews available as of 15 October 2020, when Mr P invested. Although a negative one-star review was added shortly after Mr P's first payment, on 28 October 2020, I wouldn't have expected Mr P to re-check the company's reviews after he'd decided to invest with it. Although with hindsight there's a possibility that some, if not all, of the positive reviews weren't genuine, I think at the time they would've given Mr P comfort that the investment was genuine and other people were having a good experience with it.

I should note there are several companies listed on the review site with similar names, and it appears Barclays may be referring to one of those. But I've referred to the one which matches the name and website address of the actual company Mr P made the payments to.

In the absence of any other publicly available adverse information, as is the case here, I haven't concluded that Mr P was negligent, so I don't think Barclays has applied the contributory negligence deduction fairly, and I uphold this complaint.

Putting things right

To put things right I require Barclays to:

- Pay Mr P the remainder of the total loss of all the payments, minus the payment he received from the company and the refund Barclays has already made. And;
- Pay 8% simple interest on each amount, from the date each payment left Mr P's account until the date of settlement*.

*If Barclays considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr P how much it's taken off. It should also give Mr P a tax deduction certificate if he asks for one.

My final decision

I uphold Mr P's complaint and require Barclays Bank UK PLC to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 1 December 2024.

Sam Wade
Ombudsman