

The complaint

Mr K has complained that Barclays Bank UK PLC (“Barclays”) failed to provide effective fraud prevention measures which led to him losing money in an investment 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 reasons for my decision.

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

Mr K has explained that he lost £71,000 after falling victim to an investment scam. He says he was contacted by someone he believed to be an old friend (“the scammer”) via a popular messaging app, and they spoke for several months during the pandemic and made plans to meet up once the pandemic was over. Mr K says that after speaking to the scammer for around three months, they mentioned an investment platform that they had been using and had been very successful with. They offered to help Mr K get started investing with the platform and provided him with a link to sign up for an account.

Mr K says that before signing up for an account or sending any money to the platform he did some research into it. Mr K says that his research showed him that the platform was a genuine company, and it did not have any bad reviews.

Between December 2021 and January 2022 Mr K sent £71,000 to the investment platform, which I’ll call “E”, as four separate payments. Later in January 2022 Mr K was able to withdraw £16,557 from his E account. But he says that shortly after making his final deposit with the investment platform, his full balance disappeared and the person he was speaking to cut contact with him.

The payments Mr K made are as follows:

Date	Amount
31/12/2021	£1,000
31/12/2021	£50,000
04/01/2022	£10,000
04/01/2022	£10,000

Barclays intervened when Mr K made the third payment by asking him a series of questions about it before it was sent. It then released the payment.

Around a year and a half later, in August 2023, Mr K complained to Barclays about the money he had lost in the alleged scam. To summarise, he doesn't believe that Barclays adequately protected him from the scam.

Barclays didn't uphold Mr K's complaint, as it didn't agree this was a scam. Mr K didn't agree with Barclays so he brought his complaint to this service.

One of our investigators looked into Mr K's complaint but she didn't recommend it should be upheld. She said that she was unable to hold Barclays responsible for what had happened, despite the very difficult circumstances Mr K found himself in, because she didn't think Barclays had acted unfairly by allowing Mr K to send funds to E.

Mr K didn't accept the investigator's opinion, so 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.

Based on what I've seen I'm not upholding Mr K's complaint, for similar reasons as the investigator. I'll explain why.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mr K authorised these payments from leaving his account. It's accepted by all parties that Mr K gave the instructions to Barclays and Barclays made the payments in line with those instructions, and in line with the terms and conditions of Mr K's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

I haven't been provided with any evidence to persuade me that Mr K has been the victim of a scam. He says he no longer has any of the messages he exchanged with the scammer. I've also seen screen shots confirming that the funds Mr K sent from Barclays were received in his E account, which was held with a genuine company. Mr K has provided statements which show account activity at E by way of buying and selling stocks, and he has also

confirmed he was able to withdraw over £16,000 in investment returns at one point, which would be unusual if Mr K was the victim of a scam.

Barclays didn't intervene when Mr K sent the £50,000 payment and I think it should have done. This payment was significantly larger than any other payment that Mr K had made within the preceding 12 months, and it was also paid to the same payee that had been set up on the same day. As Barclays didn't intervene at all I don't think it met its obligations to protect Mr K from the risk of financial harm.

But although I consider Barclays ought to have intervened sooner (when the £50,000 transaction was made) and asked more probing questions to satisfy itself Mr K wasn't at risk of falling victim to a scam, I don't think doing so would have made a difference. I haven't seen enough evidence to make me think that this investment was part of a scam – so I don't think Barclays would've uncovered that it was, no matter what it asked.

Barclays didn't intervene when Mr K made the fourth payment, which was for £10,000. But as I've already set out above, I also don't think an intervention would've prevented Mr K from making the payment.

I'm sorry to disappoint Mr K but I'm not persuaded that he's fallen victim to a scam, or that Barclays could've done anything that would've prevented him from losing the money that he did.

My final decision

I don't uphold Mr K's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 28 August 2024.

Sam Wade

Ombudsman