

The complaint

Mrs M complains Barclays Bank UK PLC won't refund the money she lost to a scam.

What happened

Around September 2023 Mrs M came across a company, C, claiming to offer a low-risk investment opportunity. She says C claimed to be connected to a well-known public figure, and to hold international offices – including in the UK. Mrs M decided to invest with them. Unfortunately, C were operating a scam.

In November 2023, the scammers led Mrs M to believe she had to make various payments to access her investment. She sent funds from Barclays to an account C had directed her to set up with another firm ("R"). From there, the funds were sent on to various recipients – and were ultimately lost to the scam.

Most of the payments were funded by loans which Mrs M says were taken out by the scammers. She says she thought the loan funds she received were payments from companies partnered with C, and that she had to move them on as part of the process to withdraw from her investment.

Mrs M continued to receive more demands for payment without receiving any returns. C then stopped responding to her. Realising she had been scammed, Mrs M reported this to Barclays – and referred the matter on to our service when it didn't agree to refund her.

Our investigator found Barclays had questioned Mrs M about several payments sent to R, and she had told it she was sending funds there to pay for home improvements. They also found another firm, "L", had told Mrs M C were a scam prior to making payments from her Barclays account. In those circumstances, the investigator didn't think Barclays was liable for Mrs M's loss as they didn't think it ought reasonably to have uncovered the scam.

Mrs M has appealed the investigator's outcome. In summary she says Barclays should have been concerned, and questioned her about, the influx of loans paid into her account – and that would have uncovered the scam. She also says she was tricked by the scammers into telling Barclays the payments were for home repairs, and didn't connect L's warning to what was happening. In the circumstances, and given the impact of the scam, it's unfair for her to be held liable for the payments.

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've decided not to uphold it. I appreciate this will be very disappointing for Mrs M – who has clearly fallen victim to a scam. I've set out below how I've reached my conclusions.

I'm aware of the overall impact this scam has had on Mrs M. The wider context is that several loans were taken out, and several accounts were used to pass on the funds, during the scam. I'm considering complaints from Mrs M about each firm involved. I need to consider the responsibilities of each individually. But I have considered the cases together – and have taken on board the overall context, and the overall impact on Mrs M, when considering each case.

It isn't in dispute that Mrs M authorised the transactions in question. She is therefore presumed liable for the loss in the first instance. However, I would expect Barclays to be on the look-out for the possibility of fraud, and to make additional checks before processing payments in some circumstances – in line with longstanding regulatory expectations and requirements and what I consider to be good industry practice at the time of these payments.

Here, Barclays did identify some of the payments Mrs M sent to R for the scam as suspicious, and it questioned her about what she was doing. Mrs M said she was paying for home improvements from her R account – also mentioning the cashback benefits they offered.

I appreciate the scammers instructed Mrs M on what to say, and that she complied due to their manipulation tactics. But having listened to the calls, I don't think her responses gave Barclays cause to suspect the funds would be transferred on to a scam.

I've also found Mrs M spoke to another bank, L, about a payment intended for C a week or two before the Barclays payments. L warned Mrs M that what she was being asked to do shared uncanny similarities with scams they were seeing. They looked up C and told Mrs M the FCA had issued a warning about them. L said they were confident she was being scammed – and if she was asked to make any more payments to C for any reason, it was "110% a scam".

So, Mrs M had been put on notice of relevant and specific concerns about C. But it appears C still managed to persuade her to continue making further payments (through Barclays and R). Mrs M has explained L's warning didn't seem relevant in the high-pressure situation she was in. That makes me think that, even if Barclays had probed Mrs M further, or questioned her earlier about the payments to the scam, it wouldn't have succeeded in preventing her from proceeding – given the level of influence the scammers were exerting.

Mrs M says Barclays should specifically have questioned her about the loan funds paid into her account – as part of its "anti-money laundering" obligations. However, where it could see the funds were coming in from genuine loan firms, I don't think it had reason to be concerned they might be proceeds from crime.

Even if Barclays had asked about the funds into the account during the course of questioning Mrs M about the outward payments, I'm not persuaded this would have prevented her loss. Mrs M says she wasn't aware of any of the loans. But I've found she spoke directly to two of the lenders during the loan application process. She told them she was taking out lending to fund home improvements. That matches what she told Barclays about how she would be using the funds.

So, I don't agree that asking about the loans would have led Barclays – or Mrs M – to realise she was falling victim to a scam.

As the funds were sent on to Mrs M's own account with R before being subsequently transferred on to the scammers, Barclays couldn't recover the funds when Mrs M reported the scam either.

I know this scam has had a significant impact on Mrs M, both in terms of her financial loss and the emotional impact. But I would only consider it fair to direct Barclays to reimburse Mrs M if I found any wrongdoing on its part caused or contributed to her loss. For the reasons I've explained, I don't think Barclays is at fault for Mrs M's loss. I therefore don't consider it fair to direct Barclays to reimburse the payments she made.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 24 April 2025.

Rachel Loughlin
Ombudsman