

## Complaint

Mr T is unhappy that Barclays Bank UK Plc didn't reimburse him when he told it he'd fallen victim to a scam.

## Background

In 2017, Mr T entered into an investment agreement with a company I'll refer to as H. He did so following a suggestion from another person who he'd known for some time. He wasn't told in express terms how H generated its income, but his recollection was that it involved speculating on foreign exchange movements. Mr T told us that he visited H's office which was in the town where he lived. He met two people who said they were directors of the company. There were other members of staff in the office who appeared to be engaging in trading activity. Understandably, the company appeared to him to be a legitimate one.

He made two payments. He paid £50,000 in September 2017<sup>1</sup> and £20,000 in April 2018. The exact nature of how the investment worked isn't entirely clear. I can see that in 2019, Mr T was asked to sign a document granting a loan to H's partner company which was operating out of a foreign jurisdiction. The sum he was loaning, according to this agreement, was more than ten times larger than the amounts he'd transferred to H – so I've presumed that the 2019 document related to the money he was told he'd earned on his investment.

He received regular communications from H about how his investment was performing. However, during the coronavirus pandemic, those communications stopped. He visited H's nearby office and found that it had been closed. After that, he looked up the company online and saw that other investors were taking legal action against it.

He realised that he must have fallen victim to a scam and so he referred his complaint to Barclays. He argued, via his representatives, that Barclays should've done more to protect him. He was making a large international payment. It shouldn't have processed that payment without first making enquiries with him to satisfy itself that he wasn't at risk of fraud.

Barclays didn't agree to refund him. It said it was treating the matter as a private civil dispute, rather than a fraudulent investment. In its view, H was a legitimate company at the time Mr T made these payments, but the investment simply failed. Mr T wasn't happy with the response he received from Barclays and so he referred his complaint to this service. It was looked at by an Investigator who didn't uphold it.

Mr T disagreed with the Investigator's view and so the complaint has been passed to me to consider and come to a final decision

## Findings

I've considered all the available evidence and arguments to decide what's fair and

---

<sup>1</sup> This payment is outside of our service's jurisdiction because it was referred late. This has been accepted by both parties.

reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, that isn't the end of the story. Good industry practice required that Barclays be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to warn its customer about the risk of proceeding.

I agree that Barclays should've recognised the risk associated with the second payment and taken some steps to protect Mr T from the associated risk. However, just because I've identified a shortcoming on the firm's part, that doesn't mean it needs to refund his losses. I can't ask that it refund him unless I can reasonably conclude that its error was the cause of his loss. To reach a conclusion on this point, I need to consider what would have happened if Barclays had handled things differently. It ought to have contacted Mr T and asked him about the payment. It should also have given him general guidance about the prevalence and risk of fraud and scams.

Unfortunately, I'm not persuaded that it would've made a difference if it had done so. The investment opportunity had been recommended to him by someone he knew and trusted. In addition to that, the payment was made back in 2018 and, at the time, there was no negative information about H available online. It's also significant that Mr T had been invited to visit H's offices and what he found there looked very much like a legitimate company. This is atypical for an investment scam and would've been a significant source of reassurance for Barclays.

I accept that Mr T was investing in something that was unregulated. But Barclays wouldn't have been expected to protect him from putting his money into a high-risk investment. I don't say any of this to downplay or diminish the fact that he appears to have fallen victim to a cruel and cynical scam. I have a great deal of sympathy for him and the position he's found himself in. However, my role is limited to looking at the actions and inactions of the bank and I'm satisfied that it wasn't the cause of his losses here.

### **Final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 December 2024.

James Kimmitt  
**Ombudsman**