

The complaint

Mr W complains that Barclays Bank UK PLC didn't do enough to protect him when he says he was the victim of an investment scam.

Mr W is supported in making his complaint by a representative. But for ease, I'll only refer to Mr W in this decision.

What happened

The background to this complaint is well known to both parties, and so I'll only refer to some key events here.

Mr W says that in 2018 he invested £40,000 with a company (I'll refer to here as 'L') based overseas. On 14 March 2024 he contacted Barclays to say he'd been the victim of scam. He said 'L' was unregulated and that there were warnings about it being a scam in 2018. Mr W says he's been unable to recover any of the lost funds.

Barclays has said that it's been unable to investigate Mr W's claim as he hasn't provided detailed information to facilitate that investigation.

Mr W referred his complaint to the Financial Ombudsman. He maintained he'd been the victim of an investment scam. And he said if Barclays had appropriately intervened when he made the payments, his loss could've been prevented. Mr W wanted his funds refunded, plus 8% interest and £1,000 for the distress and inconvenience caused.

One of our Investigators considered the complaint but didn't uphold it. In summary, he said that despite repeated requests, Mr W had been unable to provide evidence to Barclays or the Financial Ombudsman to support his claim he'd lost money because of an investment scam. He said all we had evidence of was that Mr W purchased crypto and invested in 'L' – and while regulatory warnings were in place about 'L' – we didn't have evidence to show exactly what funds Mr W invested were lost to a scam.

Mr W didn't agree and asked for an Ombudsman to issue a final decision. He provided information on several loans he'd taken out to fund the investment as well as a list of credit card payments he said were paid towards it.

Mr W said he'd also found out that 'L' was a trading company which wasn't authorised to trade on the behalf of others. He said he felt trapped into sending 'L' more money to get his money back.

Mr W also asked that if it was decided Barclays wasn't at fault, whether it was possible to make a claim to the Financial Ombudsman about 'L'.

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, for largely the same reasons as our Investigator. I know this isn't the answer Mr W was hoping for and so this will come as a disappointment. I'm really sorry to hear about the situation he's found himself in, and I can understand why he'd want to do all he can to recover the money he says he's lost. But I

need to decide whether Barclays can fairly and reasonably be held responsible. Overall, I've decided that it can't be. I'll explain why.

Firstly, I should explain that as 'L' doesn't appear to have the required regulatory authorisation by the Financial Conduct Authority (FCA) to carry out regulated activities in the UK, the Financial Ombudsman wouldn't be able to consider a complaint about it.

I've seen nothing to suggest the payments Mr W says he made towards the investment with 'L' weren't authorised payments. So, Mr W is presumed liable for any loss in the first instance.

However, I've considered whether Barclays should've done more to prevent Mr W from falling victim to a possible scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.

So, taking all of this into account, I need to decide if Barclays acted fairly and reasonably in its dealings with Mr W when he made the payments, specifically whether it should've done more than it did before processing the payments. I also need to decide if Barclays could've reasonably done more to recover any lost funds.

Was this a scam?

Given the regulatory warnings and online reviews about 'L' it's apparent it was more than likely a scam trading company. And Mr W has provided evidence that he was communicating with 'L' throughout 2018. So, I'm satisfied, on balance, that it's reasonable to conclude Mr W has fallen victim to a scam.

Should Barclays have intervened before processing the payments?

The difficulty I have here is that despite several requests from Barclays and from the Financial Ombudsman, we've not seen evidence of the *exact* payments Mr W made towards the investment. He's said he invested £40,000, but the payments Mr W has identified only amount to just under £11,500. And whilst he's told us about loans taken out to fund the scam as well as credit card payments, it's not been possible to reconcile those with the statements provided by Barclays, nor has Mr W provided evidence to show how much of the loan funds were transferred as part of the investment scam.

Also, it's apparent that Mr W received some returns on the investment – an email on 22 May 2018 refers to a €2,484 credit into his crypto wallet. Having returns on the investment would impact the loss Mr W claims to have suffered. So, without clear information of *all* returns received, it's unclear what that claimed loss is.

Without all this information it's not possible to say with any degree of certainty exactly what funds Mr W has lost to the scam. Further to that, without knowing details of all the payments made towards the scam investment (amounts, dates, destinations), it isn't possible to make a clear finding on whether any of those payments should've flagged with Barclays as suspicious or out of character when compared with Mr W's usual account activity.

So, in summary, based on the evidence I've seen, I can't make a fair and reasonable finding here that Barclays should've intervened before processing the payments Mr W says were made as part of the scam. Nor can I say what loss, if any, Mr W has suffered that Barclays could - potentially - be considered responsible for.

Recovery of lost funds

In terms of trying to recover the lost funds; I'd expect Barclays to attempt this at the point it's alerted to the loss. But almost six years had passed by the time Mr W contacted Barclays. And so, I can't say Barclays had any reasonable prospect of recovering the funds in 2024, given the passing of time.

In addition to that, as I've discussed above, without knowing the exact loss suffered or details about the payment amounts and their destinations, Barclays would unlikely have had enough information to raise a recovery request with the beneficiary account(s). And there's also a suggestion some of the payments were international – which often makes attempts at recovery less successful.

Taking all that into account, I don't think any reasonable action by Barclays would've likely resulted in recovery of any funds Mr W might've lost to the scam.

I have a great deal of sympathy for Mr W and the loss he's suffered. But it would only be fair for me to direct Barclays to refund any loss if I thought it was responsible – and I'm not persuaded I've seen evidence that this was the case. And so, I'm not going to tell it to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision **before 1 July 2025**.

Anna Jackson
Ombudsman