

## **Complaint**

Mr S is unhappy that Barclays Bank UK Plc didn't reimburse him in full after he reported falling victim to a scam.

## **Background**

In late 2023, Mr S fell victim to an investment scam. He was contacted on social media by a woman who said she was an investment broker with a company I'll call T. She told Mr S about an opportunity to invest in foreign exchange and said it would deliver generous returns. She also claimed she would underwrite the investment with her own funds, so Mr S couldn't lose money.

He looked up T online and found information suggesting it was a legitimate US-based investment firm. Following the advice of his contact, he opened an account with a third-party cryptocurrency exchange. This was to be the preferred mechanism through which he would fund his investment account. However, there were delays with the account being set up. His contact then suggested that Mr S send the money to her directly, and she would transfer it to the investment platform. She sent him a copy of her passport to prove her identity.

Mr S used his Barclays account to make two payments to an overseas bank account:

- £20,000 on 8 January 2024
- £20,000 on 23 January 2024

Mr S subsequently realised he had fallen victim to a scam and reported the matter to Barclays. Barclays declined to refund the full amount. It said that Mr S had not carried out sufficient due diligence before making the payments. Barclays offered to refund 50% of the loss.

Mr S wasn't happy with that response and so he referred his complaint to this service. The case was initially reviewed by an Investigator, who considered Barclays' settlement to be fair. Mr S disagreed with this outcome, so the case has been passed to me for a final decision.

## **Findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The starting position at law is that Barclays is expected to process payments and withdrawals that Mr S authorises, in line with the Payment Services Regulations 2017 and the terms and conditions of Mr S's account. In this case, Mr S authorised the payments in question, so he is presumed liable for them at first instance.

However, that is not the end of the matter. Good industry practice requires that Barclays be alert to account activity or payments that are unusual or out of character, to the extent that they might indicate a risk of fraud. Where such payments are identified, I would expect the bank to take steps to protect its customer. This could be as simple as providing a clear

warning during the payment process, or it might involve contacting the customer directly to establish the circumstances surrounding the payment.

In this case, the payments made by Mr S were sufficiently large and unusual that they shouldn't have been processed by the bank without it first attempting to establish the wider circumstances. The evidence suggests that some form of conversation did take place before the payments were processed. However, in the absence of a recording of those conversations, I can't know for sure whether those interventions were carried out effectively or not.

As with all cases of this kind, I have considered whether Mr S ought fairly and reasonably to bear some responsibility for his loss. If I consider that he should, then Barclays is entitled to make a deduction from the compensation it pays. Barclays' offer assumes that Mr S was 50% responsible for his loss. If I consider that to be a fair division of responsibility, I cannot uphold his complaint in full.

On the evidence, I find that Mr S was contributorily negligent and that a 50% deduction is therefore fair. In my view, he ought to have been concerned at the unsolicited approach on social media. He was provided with a picture of a passport bearing the name of his contact, but he did not take any steps to check whether this person was legitimate or actually worked for the company they claimed to represent. He was also asked to make payments to a personal bank account, rather than a company account, and the account was not even in the name of the person he was dealing with. These were all warning signs that, in my view, Mr S should have recognised. He should only have proceeded here with great caution.

I have also considered whether Barclays did everything it should have to recover Mr S's funds once it became aware of the scam. In such cases, the bank should promptly contact the receiving bank to inform them of the fraud. That did not happen here, but by the time Barclays was notified, around two weeks had elapsed. From experience, I know that fraudsters typically move funds on very quickly, so the chances of recovery were always going to be remote.

I do not make these observations to diminish the fact that Mr S has been the victim of a cruel and distressing scam. I have considerable sympathy for the situation he now finds himself in. However, my role is to consider the actions of both parties and reach a fair and reasonable outcome. Having done so, I am satisfied that this resolution is the right one in the circumstances.

### **Final decision**

For the reasons I've explained above, I uphold this complaint in part. If it hasn't already done so, Barclays should now refund 50% of the money Mr S lost to the scam and add 8% simple interest per annum to those payments calculated to run from the date the payments left his account until the date any settlement is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 October 2025.

James Kimmitt  
**Ombudsman**