

The complaint

Miss D complains that Barclays Bank UK PLC (“Barclays”), have failed to refund money that she lost as part of an investment scam.

What happened

Miss D came across a company that purported to be a trading advice service, but she says it was actually a scammer that I will call C. Miss D was persuaded to make a number of payments from her Barclays account to a legitimate broker. She then was persuaded to invest in another legitimate company by buying shares in that company using her account with the broker.

In total Miss D sent around £12,000 to the broker via bank transfer in August and September 2022 across 7 transactions.

The share price then collapsed and she believes that she was scammed.

Miss D raised a complaint with Barclays, as she believed that it should have stopped her from making the payments in question.

One of our investigators looked into this matter and they did not uphold this complaint. They believed that Barclays intervened in a proportional manner so it could not have prevented Miss D’s loss.

Miss D did not agree with these conclusions. So, her complaint has been passed to me to issue a final 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

In broad terms, the starting position is that Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

But, taking into account relevant law, regulators’ rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Barclays should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;

- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so, given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Barclays sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this instance I am mindful that Miss D was sending funds to a well-established regulated broker and was ultimately buying shares in a legitimate firm. I also can see that Miss D had made large transactions in the past. Given this and given the size and pattern of the transactions in question I'm not persuaded there was anything that ought reasonably to have triggered Barclays's fraud monitoring systems, or that would have indicated she was in the process of being scammed. I therefore do not consider there to have been any obligation on Barclays to have intervened.

I can see that Barclays did provide a warning during the transactions and said essentially that Miss D should speak to a financial advisor and that if the offer sounds too good to be true it probably is. I believe in this specific instance this was sufficient. Also, even if a more detailed warning had been given about the general features of investment scams, I don't think that it would have covered "pump and dump" style scams.

Additionally, even had Barclays spoken to Miss D, and I don't think it needed to, and had asked about the payments, I don't think that it could have said that Miss D was definitely being scammed given that on the face of it she was just being given a stock tip. All Barclays really could have said is what was essentially in the above warning that she should take financial advice and beware of offers that are too good to be true. Given that the above warning did not stop Miss D, I don't think that a warning in a call would have either.

I note that Miss D's representative has stressed that there were warnings about clones of the legitimate broker that Miss D was using. But she was not using one of these clones she was sending funds to the actual legitimate broker so I don't think that Barclays would have needed to intervene.

I've also thought about whether Barclays did enough to attempt to recover the money Miss D lost. In this instance the transfers would not be covered by the Contingent Reimbursement Model ("CRM") as the payments were made to an account in her own name. Overall I don't think that Barclays could have recovered any of the funds.

I appreciate this will likely come as a disappointment to Miss D, however, I'm not persuaded that Barclays can fairly or reasonably be held liable for the losses that she says she experienced in these circumstances.

My final decision

My final decision is that do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 28 August 2025.

Charlie Newton
Ombudsman