DRN-5296584

The complaint

Mr K complains that Barclays Bank UK PLC hasn't refunded him payments he made to an art investment he now says was a scam.

What happened

In August 2022, Mr K made debit card payments to invest in art with a company I'll call 'S'. He purchased art with S until March 2023, then says he invested with two other companies he says are linked to S between June and August 2023.

Mr K says he realised he'd been scammed when he was introduced to someone who understood about these types of scams and revealed this to him. He contacted Barclays but it didn't agree this was a scam and said Mr K was out of time to bring a chargeback claim for the payments. Mr K raised a complaint and explained he didn't know about the time limits, but Barclays didn't change its position.

Mr K came to our Service, but our Investigator didn't uphold his complaint. Mr K asked for an Ombudsman to reconsider this case as well as two linked ones. I informally contacted his representative and set out that it hadn't provided any evidence Mr K dealt with S or bought any art. And I also explained that the majority of the submissions made to our Service didn't apply to Mr K's situation, as they related to a recovery option for people who made their payments by faster payment. I explained that what happened after he invested couldn't be applied to the time of his payments.

I asked them to explain this to Mr K and set out why, even if we did receive evidence he'd invested with S, it wouldn't change things in this case. So I said this wasn't necessary here.

Mr K's representative responded with detailed further comments that related to events and evidence from after Mr K made his payments. And it provided numerous attachments to show he invested in S, despite what I set out. So the case is now ready for a 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 taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I agree Barclays ought to have been on the look-out for the possibility of fraud and, in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks before processing a payment.

Mr K has reported making card payments to S and what he says were associated galleries between August 2022 and August 2023. Given the value of Mr K's payment in November 2022, £15,553, and his account history, I accept Barclays ought to have stopped the payment and asked some questions to understand better what Mr K was doing. And then provided a relevant scam warning to him related to this. Prior to this payment, I'm not persuaded the payment values were high enough to warrant an intervention.

Barclays hasn't suggested any warnings were shown or questions were asked of Mr K for any of the reported payments. However, I don't consider that proportionate conversations at any time would've changed Mr K's decision to invest. I'll explain why.

I'm not persuaded the kind of information I'd expect Barclays to have shared/discussed with Mr K would've prevented the payments from being made. S and the other companies he paid were all legitimately registered companies at the time Mr K purchased art from them. And there wasn't anything in the public domain at the time to suggest Barclays should've been concerned that Mr K might be falling victim to a scam. The vast majority of the points Mr K has now raised didn't come to light until much later and Barclays wouldn't have been aware what would happen with regards S and its finances.

On other cases involving S I have seen the promotional literature it provided as well as images of the gallery and offices it held. The brochure it printed contains persuasive and comprehensive information for investors which sets out core details about the investment. It seems highly unlikely that a conversation with Barclays would've prevented Mr K going ahead with the purchases when he likely held this information. And I don't think a proportionate warning would've given him concerns about *this* investment opportunity.

I haven't seen information that indicates Barclays ought to have refused to make the payments now disputed at the time Mr K was making them, or that anything it could have shared would've prevented him from going ahead. And Barclays wasn't required to provide Mr K with investment advice as part of processing his payments, for example, to go through S's finances or research who was involved in the firm for any concerns. It would only be required to direct Mr K to do his own due diligence, such as online research, and to check he was satisfied with the opportunity, which he'd done, and he was, at the time of the payments.

While I have read Mr K's submissions in detail, his response doesn't give any persuasive evidence why Barclays ought to have stopped the payments to S in 2022 and early 2023. While it strongly argues S was operating a scam based on what happened after Mr K bought art, the key consideration here is whether this ought to have been a concern to Barclays/ Mr K when the payments were made. And it's not been evidenced this was case.

In relation to recovery of funds, as these payments were all debit card payments, the option here would've been to make a chargeback claim. But first, Mr K doesn't appear to have paid S directly – so this would've likely impacted any claim for these transactions. But, more importantly, he didn't report he'd been scammed until over 120 days after his last payment to invest in art. The rules on chargeback claims are strict about the time limits that apply, and Mr K was too late to make a claim for any of his payments to S or the other galleries. Mr K has raised that he wasn't aware of the time limits, but there's no provision to extend time in the rules for this situation. So I'm satisfied there was no prospect of recovery in this case.

My final decision

For the reasons set out above, I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 September 2025.

Amy Osborne
Ombudsman