

The complaint

Mr D has complained that his bank, Barclays Bank UK PLC, failed to stop him from falling victim to an investment scam and refused to refund all the money he lost.

What happened

Mr D said that in March 2022 he was contacted about investing in foreign exchange by someone who said they were from an investment company I'll refer to as 'S'. Unfortunately, that person turned out to be a scammer.

Mr D initially used a different account and through that account he made most of the payments which, unbeknownst to him, went to the scammers. He later made three international payments using his Barclays account. The transactions were as follows:

| Number | Date | Currency of recipient's account | Payee | Amount |
|--------|------------|---------------------------------|-----------|---------|
| 1 | 23/09/2022 | Euro | Mr P | £400 |
| 2 | 11/11/2022 | Euro | Company W | £90 |
| 3 | 18/11/2022 | Euro | Mr P | £179.21 |
| Total | | | | £669.21 |

Mr D said the scammers were showing him that his investment was growing but when he asked to make a withdrawal, he was told he had to pay a release fee or make a tax payment first. Mr D said he refused and asked for a refund and at that point the scammers stopped responding to him. He then realised he had been scammed.

Mr D complained to Barclays in December 2024 and said it should have done more to prevent him from being scammed, for example, it should have stopped the payments from being processed. Barclays reviewed the complaint and agreed to refund Mr D £334.61 which amounted to 50% of his losses. It said Mr D was partly responsible for his loss for a number of reasons which included failing to do any due diligence into S.

Mr D didn't agree and asked for a full refund. Barclays reviewed the matter and issued Mr D with a final response to his complaint. In its response it said it didn't consider that any of the transactions were unusual and so it didn't think it had to intervene at any point. It also thought Mr D could have done more to protect himself and that the fact that he was cold called and promised returns of 150-200% per month should have caused him concern. So, it said it should not have issued any refund to Mr D but as the £334.61 had already been paid to him, it wouldn't seek to recover it.

Unhappy with Barclays' response, Mr D brought his complaint to our service and asked for a full refund. He said, had Barclays intervened, he wouldn't have been scammed.

One of our investigators considered the complaint but didn't think it should be upheld. Our investigator didn't think the transactions were unusual enough for Barclays to intervene.

Mr D didn't agree and asked for an ombudsman's decision. He said he thought his complaint was caught under the Contingent Reimbursement Model (CRM) Code and that he is entitled to a full refund. He also said that the returns he was promised were not too good to be true and added that he found no negative reviews regarding S before he invested. He also said that in a letter to him in December 2024, Barclays said it had paid him £33,461 but instead he received £334.61.

Our investigator didn't change her view. She said the CRM Code did not apply as the payments Mr D made were to international accounts. She also thought Barclays made a typo when it said it paid Mr D £33,461 instead of £334.61 and that she wouldn't ask it to pay the difference.

The matter was then passed to me to decide.

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.

I'd like to say straight away that I was very sorry to hear that Mr D fell victim to a cruel scam. I have a great deal of sympathy for him and realise that being the victim of a scam will have had a significant impact on him, not just financially, but because of the way the scammer took advantage of him and gained his trust.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, guidance and standards, codes of practice, regulators' rules and where appropriate, I must also take into account what I consider to have been good industry practice at the time.

The starting position in law is that a bank such as Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. Mr D accepts that he authorised all the payments in question and so he is presumed liable for them in the first instance – even though he believed he was making a genuine investment. However, that isn't the end of the story.

It isn't in dispute that Mr D was the victim of a scam and where the customer made the payments as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payments.

I consider it fair and reasonable between September 2022 and November 2022 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
- 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.

Should Barclays have intervened?

I have considered whether Barclays should have recognised that Mr D was at risk of financial harm from fraud and whether it should have intervened. I've also borne in mind that Mr D's loss was £669.21 with the highest payment being for £400 - which I appreciate may be a lot of money to Mr D - but the bank processes transactions like this all the time. The payments were also spread out. There is a balance to be struck between banks identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

I have considered the transactions Mr D made on his account over a six-month period before the scam and I didn't think the three transactions were out of character, considering the account's previous activity. From what I can see there were several outgoing payments for similar amounts in the weeks and months prior to the transactions in question. For example, there were payments for £350, £200 and £130 made on 2 September 2022 to a business and to individuals. There was also a £300 payment made to a business on 20 September 2022. And there were payments made for similar amounts over October and November 2022. So I don't think the amounts involved were unusual enough to warrant an intervention by Barclays. Furthermore, there was a significant time period between each transaction, and so I don't think there was an indication that a pattern was beginning to emerge.

I've also thought about whether the payments were unusual due to the fact that they were made to international accounts, but I don't think that was the case either. From what I have seen, Mr D made a number of international payments before and after these payments were made. For example, he made a number of payments to a foreign bank in February and March 2022 for around £200- £300 each time.

For these reasons, I don't think Barclays had to intervene prior to any of the relevant transactions.

Even if I thought that Barclays should have intervened and that those interventions would

likely have been successful, I would, on balance, have said it was only partly responsible for Mr D's losses and I would have asked it to pay 50% of those; something it has already done. I would have considered Mr D partly responsible for the same reasons as those provided by Barclays. For example, I think the fact that Mr D was cold called by a company he had never contacted before and was asked to make payments to different accounts not in S's name, should have raised suspicions. I note Mr D said that he researched S online and found no negative reviews. In February 2022, before Mr D invested with S, there was a warning issued by the Financial Conduct Authority (FCA) warning consumers against investing with S stating that S wasn't authorised or registered by it. I appreciate Mr D may not have necessarily known to check on the FCA's website, but I think an internet search of S's name will likely have taken him to the FCA's website and to the relevant warning.

CRM and recovery

Mr D believes his transactions fall within the CRM Code but unfortunately I don't agree as the Code doesn't apply to international payments.

I've also considered whether Barclays should have done more to recover Mr D's losses. In this case the funds were transferred to international bank accounts. International banks aren't bound by the same rules and regulations as banks within the UK. The first scam payment was made on 23 September 2022 and the last on 18 November 2022 and the scam was reported in December 2024, over two years after the last payment. This delay means any recovery action was most unlikely to be successful as scammers usually remove funds within hours. Barclays contacted the receiving banks and asked for the funds to be returned to Mr D but for the two largest payments the banks confirmed the funds were no longer in those accounts. Also Barclays is reliant upon the international banks choosing to return funds. It can't require or force them to and unfortunately no funds have been returned. From what I've seen Barclays has done what it should've to try and recover the funds for Mr D, but hasn't been able to obtain a refund for him.

Mr D said that in a letter to him Barclays said that it had refunded him £33,461 but he only received £341.61. I think the figure in the letter was a typographical error and I don't think it would be fair and reasonable for me to hold Barclays accountable for that sum. The figure doesn't reflect Mr D's actual loss and it is clear Mr D was aware of the sum of his losses which only amounted to a fraction of the incorrectly typed figure.

I understand Mr D will be disappointed with my decision. When I consider cases like this I am looking at whether the bank – who was not party to the scam itself – should have done more. It doesn't automatically follow that Barclays is liable for a loss or all of the losses, just because a customer is a victim of fraud. And for the reasons I have given above, I don't think Barclays needs to do any more, having already paid Mr D 50% of his losses.

My final decision

For the reasons above, I've decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 26 December 2025.

Anastasia Serdari
Ombudsman