

The complaint

Mr G complains that Barclays Bank UK PLC won't refund the money he lost as a result of a scam.

The complaint is brought on Mr G's behalf by a professional representative. For ease of reading, I will refer to the actions and comments of the professional representative as being those of Mr G.

What happened

The background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr G was introduced by his friend to an investment firm that I will call "F". Mr G's friend had made profits using the service of F and told him he had done extensive research on the firm. Mr G has told us he trusted what his friend had told him and contacted F to start trading. He's told us he also met with one of the scammers before he began investing.

Mr G said he sent £8,500 by debit card between January and September 2022 as part of the scam. He said he used a legitimate trading site to make the payments and from there he sent the money into the control of the scammers. He realised he had been scammed when he couldn't make a withdrawal and reported it to Barclays.

Mr G raised a complaint with Barclays in August 2024. It investigated the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through. So, Mr G brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. He didn't think the payments Mr G made were unusual and so he didn't feel Barclays should have identified a scam risk.

Mr G didn't agree. He said, in summary, that the payments were unusual and that Barclays should have intervened on them. Mr G also argued he was vulnerable at the time he made the payments and that he didn't have any experience in investments.

Mr G's complaint has now been passed to me for review and 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.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Barclays is expected to process authorised payment instructions without undue delay. But it also has obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a risk of loss to a fraud or scam present.

I think it's important to note here that although Mr G has provided chats he had with the scammer, we have not been provided with evidence to show what then happened to the funds after they were sent to his trading account, or that they were subsequently lost to the scammers. We have been sent some emails from the trading account to show deposits were made but these don't show that the funds were subsequently sent to the scammers. Generally, I would expect to see some more evidence to link the disputed payments to a scam, before considering if Barclays should have done anything else to intervene in the payments. However, I don't think this makes a difference to the outcome of Mr G's complaint because, like the Investigator, I don't think Barclays ought reasonably to have identified the payments as suspicious or out of character, such that it ought to have intervened. So, I'm going to proceed on the basis that Mr G did suffer a loss to the scam he's described.

Barclays didn't identify that Mr G might be at risk of financial harm from a scam when he made the disputed payments. So, I need to decide if the transactions were concerning enough that I would have expected Barclays to have had a closer look at the circumstances surrounding them. But I also need to keep in mind that banks such as Barclays process high volumes of transactions each day, and that there is a balance to be found between allowing customers to be able to use their account and questioning transactions to confirm they are legitimate.

Mr G has advised that the disputed payments were unusual and higher than what was normally spent on the account so Barclays should have intervened on them. I've reviewed Mr G's account statements, and I can't conclude that the payments made to the scam would have looked particularly unusual or suspicious to Barclays. The highest payment made in relation to the scam was £3,500. A customer making some larger payments, compared to their usual spending is not uncommon. All the payments made were relatively modest, so I can't say Barclays should have been particularly concerned about them or that they would have presented an obvious scam risk in value alone.

I've also considered the frequency of the scam payments and the fact they were being sent to a trading site. The payments were made over a nine-month period. There were also large gaps in between the payments so on the whole they wouldn't have stood out as particularly concerning. They weren't increasing significantly in value so it would have been difficult for Barclays to identify that a scam was unfolding.

The payments were also made to a legitimate trading site, and while investment scams like this have unfortunately become more prevalent, not all payments related to investments are scam related. This means that I wouldn't expect Barclays to intervene on a payment just because it related to an investment. So, while Barclays should be looking out for signs that their customers are at risk of financial harm from fraud, I'm not persuaded the value or frequency of the payments were so unusual or suspicious for Barclays to have suspected Mr G was at risk of financial harm - thereby prompting it to intervene before processing them.

However, for completeness, I've thought about what might have happened if Barclays had intervened on the payments. On balance, I don't believe a warning would have impacted Mr G's decision to make the payments. It's clear that he'd placed a significant level of trust in his friend. He met with one of the scammers at his home address and was communicating with him regularly before he began to invest. He also recommended this investment to others, so he believed it was genuine. Considering this, even if Barclays had provided a warning highlighting the risks associated with investment scams, I don't think that it would have resonated with him. And on balance, I believe he would have continued to make the payments.

Taking all of this into consideration, I don't think Barclays ought to have done more before following the instructions Mr G gave.

I understand that Mr G was experiencing some difficult circumstances at the time he fell victim to the scam. I'm sorry to learn about this, but I can't say that Barclays was or should have been aware that he was vulnerable or made any special adjustments for him at the time the transactions were made.

Mr G has also requested compensation in addition to a refund of the scam payments made. But I can't see any reason which would suggest compensation is warranted in the circumstances of the complaint as I have not found anything to suggest Barclays have acted incorrectly.

Could Barclays have recovered Mr G's funds?

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether Barclays could have done more to recover the funds after Mr G reported the fraud.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. But I can see that Mr G didn't dispute the transactions in time to raise a chargeback claim in line with the relevant timescales, and I don't think there was any real prospect of a chargeback succeeding. This is because Mr G received the service from the trading site he used.

I realise this means Mr G is out of pocket, and I'm really sorry he's lost money. However, for the reasons I've explained, I don't think I can reasonably tell Barclays to reimburse him.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 September 2025.

Aleya Khanom
Ombudsman