

The complaint

Miss C complains that Barclays Bank UK PLC won't reimburse her a loss she suffered from an investment fraud.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In or around May 2024, Miss C came across an investment opportunity being advertised on a social media platform by one of the profiles she followed. The investment involved trading in foreign exchange and promised low risk profits.

Happy to proceed, on 6 May 2024 Miss C began making card payments from her Barclays account to a legitimate online trading broker. Miss C saw her profits grow via an online platform, so continued to make further payments up until 7 July 2024. At this stage, Miss C had made card payments from her account totalling £20,005.64.

Miss C did receive two credits to her account from the investment on 11 and 30 July 2024 totalling £1,390. But after this, Miss C logged onto her online trading account and saw many of her trades had fallen into a negative balance. The trading group Miss C was part of alerted her to the fact that this had been done deliberately, so she believed she'd been the victim of an investment fraud.

Miss C reported the matter to Barclays via a representative. But after considering her claim, Barclays concluded that Miss C had likely paid toward a legitimate investment that had failed. It therefore found that it had no liability to reimburse her loss.

Miss C disagreed. So she referred her complaint to our service for an independent review. An Investigator considered the complaint but agreed with Barclays' assessment that Miss C had likely made a legitimate investment that had failed. They therefore didn't recommend Barclays reimburse Miss C's loss.

Miss C maintained she'd been a victim of fraud, so disagreed with the Investigator's findings. As Miss C disagreed, the matter has now been 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

All parties agree that Miss C made the payments in dispute. So, in accordance with the Payment Services Regulations 2017 she is presumed liable for the loss in the first instance.

However, taking into account the above, Barclays ought to have been on the lookout for suspicious payments from its customer's accounts that might indicate that customer is at risk of financial harm, such as from fraud. And where it ought to have intervened in a specific payment—and that intervention likely would have prevented the loss—it would be liable, either fully or partially, to reimburse that loss.

However, this liability only exists where I can be satisfied Miss C has been the victim of fraud. It wouldn't be fair or reasonable to expect Barclays to reimburse a loss where its customer has lost money from a legitimate investment opportunity that has failed.

In the circumstances of this complaint, Barclays has argued that this is a legitimate investment that has unfortunately failed. And Miss C's representative has argued that this is an investment fraud. So I must first decide which I find to be more likely taking into account the evidence and testimony provided by both parties.

I must first acknowledge that the circumstances of this complaint are uncommon. To some degree, the way in which Miss C was introduced to the investment opportunity does bear the hallmarks of what is typically seen in instances of fraud; she contacted an individual unknown to her at the time on social media and was promised relatively simple, low risk returns.

But what is unusual here is that the third-party, who for ease I will refer to as A, directed Miss C to open an account via a legitimate online trading broker. Miss C has told our service that she had full control of this account and never provided the account's security details to any third-party. That meant that when she made the card payments from her Barclays account for the investment, they funded her legitimate account held with that broker.

Miss C's representative has argued that A misdirected Miss C to the non-UK arm of this legitimate online trading platform, showing that they intended to deceive her. But I can't agree with that assessment. Within the communications between A and Miss C, I can see that it was made clear that she wasn't to select the UK version when setting up an account, so A wasn't necessarily disguising the fact that Miss C wasn't using the UK website.

Within the online trading platform, Miss C was directed to the Copy Trading function. In summary, this gave her the ability to link her account to a selected trader whose trades would be copied by Miss C's trading account. She had the option throughout to override these trades or unlink her account from the trader – meaning she had ultimate control over that account and what it did.

I can see that Miss C invested further sums of money over the course of several months, indicating that the trades being carried out by the trader she'd linked with were a success. And I can't see that success was one that was fabricated, as is typically seen with investment frauds.

Miss C says that she believed she'd been the victim of fraud when her, and other investors that were copying the trades of that specific trader, logged in to see the majority of their trades had fallen into a negative balance. But there is no way of me understanding the reasons behind this sudden loss. I can see that A and the trader continued to communicate with Miss C after this sudden loss where they apologise and say they are looking to see how they can recoup their investment. And they appear to blame a sudden, volatile shift in markets for the loss, something that Miss C also acknowledged in her communications with them. I have seen no persuasive evidence that this was either deliberate or malicious in nature.

While messages between investors seem to allege that this was deliberate, there is no

persuasive reasoning as to why they had drawn to this conclusion. In fact, they appear to be as equally perplexed as I am as to how this happened.

Miss C, via her representative, has argued that the behaviour of the trader changed at the point the funds were lost. She says that they didn't close trades when they ought to have and carried out risky strategies that they didn't typically do. But that isn't enough for me to say that they intended from the outset to defraud investors, and I can't see how they would financially gain from such losses where they were being paid a commission for each trade they carried out. A loss of investor funds therefore would have resulted in further trades and commission payments ceasing.

Turning to A and the trader involved in this investment. I haven't been provided with any evidence that would indicate that either party wasn't who they said they were. Furthermore, Miss C's representative has argued that A hooked Miss C into the investment by promising unrealistic returns. I haven't seen any evidence to support that assertion. They have also said that Miss C was put under pressure to load more and more money into her account to pull her up from a negative balance, and this is something typically seen in investment fraud cases. Again, I have seen no evidence to support this claim. To the contrary, it would appear Miss C's investment was succeeding at one point and she was able to withdraw funds from her account.

I have also been provided screenshots from a trader's profile baiting investors to pay more funds so that they can take further commission, win or lose. This appears to be mocking in nature and an admission of wrongdoing. But I can't see what link this trader profile has to the investment subject to this complaint. There appears to be no linkage between it, A and the trader Miss C was copying. And Miss C's representative hasn't been able to explain this discrepancy.

I want to make it clear that I am not entirely ruling out the possibility that Miss C has been the victim of fraud here. As I have already touched upon, there are suspicious circumstances surrounding this complaint that do bear the hallmarks of how investment frauds are introduced to victims. But I cannot ignore all the remaining evidence I have seen which doesn't support a dishonest deception on the part of A and the trader. I must also take into consideration that Miss C paid a legitimate trading broker platform and always remained in control of her money and trades. Therefore, there is an equal chance that what started as a legitimate trading opportunity resulted in poor trading decisions, which caused a loss to Miss C.

I want to reassure Miss C however that should any further information come to light in the future that would indicate that she has more likely been the victim of an investment fraud, she can present that evidence to Barclays for further review.

But considering all the evidence available to me, I'm not currently persuaded Miss C has been the victim of fraud here. It would therefore be unreasonable for me to direct Barclays to reimburse her loss.

My final decision

For the reasons I have given above, I don't uphold this complaint.

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

Stephen Westlake

Ombudsman