

The complaint

Mr M complains that Barclays Bank UK PLC won't refund the full amount of money he lost to a scam.

What happened

Mr M complains that on 23 September 2020 he sent a payment of €100,000 to what he thought was a legitimate investment.

Mr M says there were some issues with the investment and the returns stopped, at this point he realised it was a scam.

Mr M initially raised a recall of the money through Barclays in 2021. He has now raised a complaint.

Barclays looked into the complaint and upheld it in part. Barclays didn't agree it had done anything wrong by making the €100,000 payment but did find its service could've been better when handling the complaint. For this it offered to pay Mr M £350 for the trouble and upset it caused. As Mr M disagreed with this outcome, he brought the complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator found Mr M paid a legitimate company at the time, and Barclays had no reasonable prospect of recovery the money. Our Investigator also found that the £350 offered by Barclays for the poor handling of his complaint was fair in the circumstances.

As Mr M didn't agree with the Investigator's view, the complaint has 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I've decided to not uphold this complaint for materially the same reasons as our Investigator.

I'm sorry Mr M lost money but this doesn't automatically entitle him to a refund from Barclays. It would only be fair for me to tell Barclays to reimburse Mr M if I thought it reasonably ought to have prevented the payments, or it unreasonably hindered recovery of the funds.

Prevention

Banks have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. These are predicated on there having been a fraud or scam. So, a first consideration in determining Barclays obligations here would normally be: was Mr M scammed as he alleges?

Here though, I don't think the answer to this question makes a difference to the fair outcome to this complaint. Although the payment in question is of a value that I think should've triggered Barclays's automatic fraud prevention systems, I can see Mr M eventually made the payment in branch and was asked some questions about the payment.

Although the notes are limited regarding the type and complexity of what was asked in the branch, for completeness I've still gone on to think about whether an appropriate intervention or further questions would likely have made a difference to Mr M making the payment.

Ultimately, I don't think any intervention by Barclays would have made a difference or prevented the payment. I say this because when Mr M made the payment, he was led to believe he was investing in a legitimate company and product. I'm not aware of any information Barclays could or should have known at the time from which it ought to have been concerned Mr M was being scammed.

Barclays could (and may) have given Mr M general fraud and scam advice in relation to investing in particular. But ultimately, I don't think I can fairly say it would have been able to give Mr M any information that would have led him to doubt what he already knew about what he was doing, including if he'd undertaken further reasonable research at the time. So, even if Mr M had been questioned in more detail about the investment by Barclays, I don't think it would've highlighted anything that would've caused concern or led Barclays to believe Mr M was at risk of financial harm from a fraud or scam.

After all, Mr M says he met with a solicitor and a cryptocurrency specialist that gave him information and reassurances about the investment, Mr M got the recommendation from a trusted long-term friend, had a contract and it appears that at the very start the investment was providing returns in line with what Mr M had been led to believe it would. Mr M also said he waited some months after finding out about the investment opportunity before committing any money but was provided with reassurance that others were making good returns. It's clear all of this added to Mr M's confidence in it being a legitimate investment at the point the payment was made.

In Mr M's submission to Barclays, he said.

I waited from July to September monitoring the programme through my friend and during that time others before me were all extremely happy and that everyone was making money. I had many telephone calls from the Solicitor, and he would keep me informed and indeed share stories of the success he had had, not only from a personal level but others whom he had invited into the programme.

So, even if Barclays did intervene further (and I can't be sure to what level it did already) and tell Mr M to conduct further checks on his investment, I'm not persuaded he would have found any negative information.

Mr M has told our service that Barclays should've stopped the payment and given him investment advice. Unfortunately, it appears as though Mr M has misunderstood the various roles and departments within Barclays. I wouldn't expect someone reviewing the payment Mr

M was making to provide investment advice - this is something he would have needed to arrange separately and is well advertised as such.

I've also checked the official organisations that publish warnings about merchants that operate in the UK and abroad, to check if there were any warnings about who Mr M paid that ought to have triggered Barclays's fraud prevention systems. I've searched the Investor Alerts Portal of the International Organization of Securities Commissions ("IOSCO"), the international body that brings together the world's securities regulators. And the FCA (as the UK regulator) also has its own warning list, which is in place to share alerts and insight about merchants that have been identified as potentially being fraudulent or at risk of scamming individuals.

There were no such warnings about the merchant Mr M paid. So, this is another reason why I don't think the payment ought to have been automatically prevented by Barclays.

I can see Barclays raised a recall request for the money on the same day Mr M reported the initial claim in 2021. Unfortunately, Barclays heard back from the receiving bank that the funds were no longer there - so no recovery was possible. As the payment was made internationally, the Contingent Reimbursement Model (CRM) code also isn't a relevant consideration here.

Having considered the award for the failure in customer service Barclays has offered, I'm satisfied it's fair in the overall circumstances. Barclays gave Mr M incorrect information and delayed the complaint, and although I can't see that any guarantees were given that he would get his money back, I can understand why this would've been frustrating. But given the overall impact I can see that it had on him, I'm satisfied £350 is a fair award in the circumstances.

I realise this means Mr M is out of pocket, and I'm sorry he lost this money. But I think this was ultimately caused by the investment company here and not Barclays. I can't reasonably ask Barclays to reimburse Mr M in circumstances where I don't think it ought reasonably to have prevented the payments or recovered them.

Mr M has mentioned various other points in relation to Barclays and how it runs its business. My role is to investigate the circumstances of the payment and the complaint. So, I won't be commenting on every point Mr M has raised.

Mr M has also mentioned speaking to and raising a complaint against the solicitor that advised him. As I've mentioned above, my role is to investigate the actions of Barclays.

Putting things right

Barclays has already made an offer to pay £350 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Barclays Bank UK PLC should pay £350.

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 June 2025.

Tom Wagstaff
Ombudsman