

The complaint

Mrs B complains Barclays Bank UK PLC (“Barclays”) didn’t do enough to protect her when she fell victim to a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the details here.

Mrs B saw an advert in a well-known newspaper for an investment company I’ll refer to as S. She invested a total of £50,000 with S which she now believes to be a scam. Mrs B said she understood she was investing in bonds which would provide a 12% return after two years, and that the funds would be used for real estate development overseas. She made the first payment of £10,000 in February 2016 and the second payment in August 2018 for £40,000. The evidence shows she received numerous returns on her investment.

Mrs B said she received newsletters from S and that they stopped in around 2022 which is what made her think she had been scammed.

Mrs B complained to Barclays, and it said to investigate, Mrs B needed to make a scam claim. Unhappy with Barclays’ response, Mrs B raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t uphold it as they weren’t persuaded Mrs B had been the victim of a scam.

As an agreement could not be reached, the complaint has been passed to me for a final 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.

I would like to say at the outset that I’ve considered this case on its own merits and have summarised it in far less detail than the parties involved. I want to stress no discourtesy is intended by this. It’s simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Mrs B was the victim of a scam and if Barclays is responsible for the loss she claims to have suffered.

I’m sorry to hear of what’s happened to Mrs B and the impact it has had on her, and I understand why she feels the money should be refunded. However, I don’t find that Barclays has acted unfairly in not refunding her money. I’ll explain why.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations 2017, consumers are generally liable for the

payments they authorise. Barclays is expected to process authorised payment instructions without undue delay. But they also have long-standing obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether Barclays is responsible for the loss Mrs B claims to have suffered if, indeed, she has been scammed. I've therefore considered whether Mrs B was a victim of a scam.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk investments that resulted in disappointing returns or losses. Some of these investments may have been promoted using sales methods that were arguably unethical/or misleading. However, whilst customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

In simpler terms, some merchants may have used sales and promotional methods that could be seen as unfair by consumers considering the losses they've incurred – but this doesn't always amount to fraud.

In this instance Mrs B knowingly made the payments, so they are authorised push payments (APP). But for me to be satisfied someone has been the victim of an APP scam, I need evidence to show the customer has been dishonestly deceived about the purpose of the payments at the time they were made. Having considered the evidence here, I'm not persuaded Mrs B has been the victim of a scam.

Mrs B said she believed she was investing in bonds, and the funds would be used to develop real estate overseas. The evidence provided includes a bond certificate and loan note provided by S. I don't have sufficient evidence to suggest that S intended to or used the funds for a different purpose than what Mrs B expected. I therefore don't think, on balance, S dishonestly deceived Mrs B about the purpose of the payments at the time they were made.

Additionally, Mrs B received numerous returns on her investment and S were registered on Companies House and were dissolved in December 2021. Which also supports the investment was more likely than not legitimate at the time the payments were made.

Overall, I'm not persuaded S was operating a scam when Mrs B made the payments and so I can't say there would have been a reasonable expectation for Barclays to have intervened prior to processing them.

I've also thought about the Contingent Reimbursement Model which Barclays is a voluntary signatory of. The code is only relevant where a customer has been scammed and as I don't find that's the case, it isn't relevant here. The payments were also made prior to the code's introduction and as it isn't retrospective, the code is also not relevant on that basis.

I'm sorry to disappoint Mrs B further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Barclays needs to refund Mrs B's money or pay any compensation. I realise this means she's out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 7 November 2025.

Charlotte Mulvihill
Ombudsman