

The complaint

Mr C has complained Barclays Bank UK PLC won't refund £40,654 he lost as the result of a trading scam.

What happened

After discussing investment with friends, Mr C was persuaded by someone he knew well to start investing in foreign exchange using a company (who I'll call T). T was regulated by an overseas regulatory authority and Mr C was able to see how his trading payments worked and discussed his investments with his friend and another person he was introduced to.

Mr C was set up with a trading account and made payments using his Barclays account from 22 June 2022 onwards. Within an almost two-month period, Mr C sent more than £40,000 to his trading account. In August and September he made another two small payments (£510 and £120) to his account.

Mr C was part of a WhatsApp group and received regular updates showing the profits that were being made. He was also still being influenced by the individuals he knew and trusted.

In 2024 with the assistance of professional representatives, Mr C contacted Barclays and asked for his money to be refunded. They argued that Barclays failed to intervene in these payments which they believed would have stopped Mr C from making further payments. Barclays confirmed they needed Mr C to speak to their fraud and scams team and weren't sure they ever got a full idea of what payments Mr C was reclaiming.

Mr C's representatives brought his complaint to the ombudsman service. Barclays hadn't provided a final response despite by this time having information about the payments Mr C was disputing. Barclays were concerned that they were unable to see any data about Mr C's trading account with T or identify any potential loss.

Our investigator confirmed she wasn't convinced Mr C was the victim of a scam. Although she could see that Mr C's investments with T were later converted to a coin product, whose value rapidly fell, this all happened after Mr C had made his investments. He was also kept informed of the move to coin and T had remained a regulated entity, albeit overseas. She wouldn't be asking Barclays to do anything further.

Still unhappy, Mr C has asked an ombudsman to consider his complaint. His representatives confirmed their strong belief that T was operating a scam, and our service should treat this as such.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of

probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

I don't dispute Mr C believes he was scammed. He has my sympathy about what he has gone through.

However, I'm not convinced that the evidence indicates Mr C was the victim of an investment scam. I've reviewed the limited detail we've seen about the account Mr C opened and what his expectations were. Mr C has also been upfront about being influenced by a friend who'd been making similar investments and was confident of the profit he was making.

I have read and considered the lengthy submission that Mr C's representatives have provided. However, I don't believe T was definitively operating as a scam. I say this because:

- T were regulated by an overseas entity and, in fact, still are which isn't what you expect to see when an out and out scam is being operated;
- Whilst there have been subsequent fraud warnings about T, these were not current at the time in June and July 2022. Most of the reviews amongst users of T's platform refer to difficulties in withdrawing funds and it isn't until after the conversion to coin – and importantly after all of Mr C's payments were made – that reviews start to talk of T as a scam. It's possible those reviews are linked to the loss in value individuals were seeing;
- Investors still have access to their funds in T. I appreciate since these have been converted to coin, their value has been lost and most investors have seen no point in trying to access these. In all the submissions made by Mr C's representatives, they have not been able to show Mr C does not still hold his investments.

That said, I have gone on to consider some main aspects of this complaint. Firstly, there's no dispute that Mr C made and authorised the payments. Therefore, I'm satisfied the transactions were authorised under the Payment Services Regulations 2017

It's generally accepted that Barclays has an obligation to follow Mr C's instructions. So in the first instance Mr C is presumed liable for his loss. But that's not the end of the story.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider that Barclays should:

- have been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering, and the financing of terrorism.
- 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 (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which financial institutions 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 before processing a payment, or in some cases declined to make a payment altogether, to help protect its customers from the possibility of financial harm.

All parties are aware that Barclays blocked a payment of £10,000 that Mr C was making on 14 July 2022. Mr C was clear in his discussions with Barclays that he wanted the funds to be released and upfront that he was making an investment in T. He confirmed he'd not clicked on any links within social media and had access to his own account with his own selected password. He also talked about his close friend who was successfully investing in T. I think – based on what was known about T at the time – that it was unlikely Barclays would have stopped further payments Mr C was making. From the notes Barclays has provided, it appears that Mr C was reasonably insistent on having his funds released so he could make the payment of £10,000. I therefore think it's unlikely that Mr C would have believed any warnings issued by Barclays nor would these have stopped him from making the investments he wished.

Overall, I'm not convinced Mr C was investing in a scam or that Barclays should have done anything further. I won't be asking Barclays to refund Mr C.

My final decision

For the reasons given, my final decision is not to uphold Mr C's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 September 2025.

Sandra Quinn
Ombudsman