

The complaint

Mr and Mrs S complain that Barclays Bank UK PLC declined to refund them when they lost £33,500 as a result of a scam.

What happened

The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But in summary, in 2017 Mr and Mrs S came across an investment opportunity through a friend's son. Persuaded to invest, they made a payment of £20,000 on in October 2017. In 2018 they received five payments as returns on the investment, each for £1,000. This persuaded them to further invest £13,500 in August and November of 2018. Mr and Mrs S say they wanted to invest for the long term, so they stopped withdrawing their returns, preferring to reinvest them.

Mr and Mrs S said they discovered had fallen victim to a scam after they spoke to their friend and sought external advice. They were put in touch with solicitors who carried out research based on information available on Companies House, and they identified that Mr and Mrs S had fallen victim to an investment scam.

Barclays looked into what happened, and said that it did not think any payments had been made other than the 2017 payment. They said this was not something our service had the jurisdiction to look into, so we could not consider the merits of Mr and Mrs S's complaint.

Mr and Mrs S did not agree, so one of our investigators considered whether they thought we had the power to consider this complaint. They identified the later 2018 payments which Mr and Mrs S had made from their Barclays account, and said the payments were something that we could look into as the complaint was raised within six years of the payments. However, they said that the 2017 payment was not one we could consider, as the complaint was not raised within six years of the payment, or within three years from the date Mr and Mrs S became aware (or ought reasonably to have become aware) that they had cause for complaint. I have concluded in a separate decision that I agree with this. They went on to consider the merits of the complaint, and did not recommend that the complaint should be upheld. In summary, they said that even with the level of intervention we would have expected of Barclays at the time of the payments, the scam loss could not reasonably have been prevented. Mr and Mrs S did not agree, so the case 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.

Having done so I have reached the same overall conclusion as our investigator and for broadly the same reasons. I will explain why.

I would like to start by saying that I was sorry to read about the impact this cruel and callous scam has had on Mr and Mrs S, particularly when they were introduced to the investment scheme by someone they knew and trusted. I can tell from the evidence that we have that

this has had a significant impact on Mr and Mrs S, so I would like to start by offering my sympathies for what they have been put through in this difficult time.

My role here is to assess Barclays' actions against what it should have done. Having done so, I do not think it would be fair and reasonable for me to hold Barclays liable for Mr and Mrs S's losses. So, having considered everything, I am not going to uphold Mr and Mrs S's complaint. I do appreciate how disappointing this will be for them, but I don't think I can fairly say that Barclays should reimburse them with the money that was unfortunately lost to the scammers. I'll explain why.

There is no dispute that the transactions were 'authorised' payments, even though Mr and Mrs S were the victims of a sophisticated scam. Mr S made the payments himself, and under the relevant regulations and the terms and conditions of her account, Mr and Mrs S are presumed liable for the payments in the first instance.

But I've also taken into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time. In this case, this does not include the Lending Standards Board Contingent Reimbursement Model ('CRM') Code as this code was not yet in place when the payments took place. But based on the other relevant rules relating to authorised push payment scams, I think Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual and out of character 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I consider that as a matter of good practice, Barclays should have been on the look out for unusual and out of character transactions and where necessary, taken proportionate interventions. The relevant payments were two payments of £5,000 on the same date in August of 2018, and a further £3,500 made on a date in November. I think the first of these three payments should have been considered unusual and out of character for Mr and Mrs S's account. Whilst they had made the one off £20,000 payment the previous year, this £5,000 was to a new payee and given the size of the payment, and the normal account history, I think intervention would have been expected here.

Whilst there is no prescriptive list of questions I would have expected Barclays to have asked at the time, I would expect them to ask about the nature and purpose of the payment. I have seen no evidence that Mr and Mrs S were coached to lie in any way to Barclays, so it seems most likely that they would have been honest in any conversation with Barclays. So, they would have explained that the payment was towards an investment, which they had been introduced to by a known and trusted friend. They would have been able to provide Barclays with evidence of contracts, information about the investment as it had been explained to them, and application forms and sign-up processes. They would have been able to discuss the established relationship and in-person meetings with the investment provider, and the investment itself, and evidence that they had received returns in line with their agreement previously. Given the fact the company was quite new when these

payments were made, there was no negative information available readily online about them. Whilst the company was entered into compulsory liquidation, this did not happen until after the payments were made. All Barclays could do would be to encourage Mr and Mrs S to do their due diligence checks – and Barclays is not there to provide financial advice on investments.

Considering all of this, I think that even with further intervention from Barclays, it seems unlikely that they would have been able to uncover that this was a scam rather than a risky investment. I am not persuaded that any answers to questions I would have expected Barclays to ask would have put it on notice that Mr and Mrs S were falling victim to a scam, such that they could have declined to make these payments altogether. And so it follows that I do not think it would be fair or reasonable to ask Barclays to reimburse Mr and Mrs S's losses here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 12 February 2026.

Katherine Jones
Ombudsman