

The complaint

Mr S complains that Barclays Bank UK PLC (“Barclays”), have failed to refund money that he says he lost as part of an investment scam.

What happened

Mr S came across a company that purported to be an investment firm, but he says it was actually a scammer that I will call C. Mr S was persuaded to make over 100 payments from his Barclays account to two third-party firms totalling over £150,000, via debit card in 2021 and 2022. The funds were then sent to C.

Mr S raised a complaint with Barclays, as he believed that it should have stopped him from making the payments in question.

One of our investigators looked into this matter and they did not uphold this complaint. They believed that Mr S had not sufficiently demonstrated that he had been scammed,

Mr S did not agree with these conclusions. So his complaint has been passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

In broad terms, the starting position is that Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

But, taking into account relevant law, regulators’ rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Barclays should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- 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 (among other things). This is particularly so, given the increase in sophisticated fraud and scams in recent years, which firms 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, or provided additional warnings, before processing a payment – (as in practice Barclays sometimes does including in relation to card payments);

- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

The obligations I've outlined above are, however, predicated on there having been a fraud or scam. If Mr S hasn't suffered a loss to a scam, Barclays had no obligation to prevent him from making the payments. And I should explain, initially, that although Mr S has described falling victim to a scam, the company that he said he was scammed by appears to be a legitimate firm.

I note that there is an FCA warning saying that it had been operating in the UK without being regulated. But this does not necessarily mean that the firm is a scam. I also note that the firm itself says it does not allow people from the UK to access its services, and I am not sure how Mr S managed to do this.

But given that the payments went via two third-party companies that both appear to be legitimate, I think this is how Mr S managed to get around this restriction. Also, just because Mr S should not have been able to send funds to a company does not mean that Barclays is liable for any trading loss because Mr S found a way to route money through to C. I note that Mr S says he has been having issues withdrawing funds from C but this is an issue between him and C and he also has not evidenced this issue either. Finally, I accept that there are some poor reviews about C online, but any large company will have some poor reviews. The existence of some poor reviews online about C does not mean that they are not a legitimate firm.

From what I can see I think that it is most likely that Mr S was trading with a legitimate firm that was not regulated in the UK. So overall, I don't think Mr S has been scammed. So Barclays are not liable for his loss. Given this, I am not going to comment on whether Barclays should have intervened during the transactions in question.

I've also thought about whether Barclays did enough to attempt to recover the money Mr S says he lost. In this instance the transfers would not be covered by the Contingent Reimbursement Model ("CRM") as the payments were made to an account in his own name. So overall I don't think that Barclays could have recovered any of the funds.

I appreciate this will likely come as a disappointment to Mr S. However, I'm not persuaded that Barclays can fairly or reasonably be held liable for the losses that Mr S says he experienced in these circumstances.

My final decision

My final decision is that do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 November 2025.

Charlie Newton
Ombudsman