

## The complaint

Ms W 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.

In March 2019 Ms W made three payments totalling £140,200 to an investment firm I’ll refer to as M. She said she saw an advert for M on social media and completed a sign-up form. She said she was contacted by someone she now believes to be a scammer. Ms M said she found them to be knowledgeable and professional and decided to invest. Ms M explained initially she saw her investment grow but during the pandemic her investments plunged and impacted her portfolio. Ms W said she had issues when attempting to make a withdrawal and believes she has been scammed.

Ms W complained to Barclays, and it didn’t uphold her complaint. Unhappy with Barclays’ response, Ms W raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and upheld it. They thought Barclays should have intervened when Ms W made the first payment and if it had it would have uncovered the scam. Our Investigator recommended Barclays refund Ms W in full and pay 8% simple interest from when the payments were made until they’re settled.

Ms W accepted the outcome. Barclays didn’t agree. In summary, it said it hasn’t seen evidence Ms W lost funds as the result of a scam.

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

### My provisional decision

I issued my provisional decision on 16 September 2025. I decided, provisionally, that I wasn’t going to uphold Mrs W’s complaint. This is what I said.

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 Ms W 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 Ms W 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 deciding not to refund 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 Ms W claims to have suffered if, indeed, she has been scammed. I've therefore considered whether Ms W 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.

When Ms W made the payments M was regulated by Cyprus Securities and Exchange (CySEC) and had passporting rights through the Financial Conduct Authority (FCA) meaning it could offer services to UK customers. I'm aware that CySEC has withdrawn its authorisation of M which followed an earlier suspension, but I'm not satisfied this is because it had been found to be running a scam.

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 M that ought to have triggered Barclays' fraud prevention systems. I've searched the Investor Alerts Portal of the International Organization of Securities Commissions, the international body that brings together the world's securities regulators. As well as the FCA (as the UK regulator) also has its own warning list in place to share alerts and insight about merchants that have been identified as potentially being fraudulent or at risk of scamming individuals. There was no such warning in place which is another reason why I don't think the payments ought to have been automatically prevented by Barclays.

At the time Ms W made the payments I'm not persuaded there was sufficient cause for concern about M. While there are red flags regarding the advertising, I'm satisfied, on balance, this was a high-risk investment and Barclays isn't obliged to provide customers with investment advice. I can't see M claimed to have regulation status that was untrue, and the documentation Ms W has provided, which includes a contract, shows M was regulated by CySEC.

Overall, I'm not persuaded M was operating a scam when Ms W 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 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 Ms W but it would only be fair for me to ask Barclays to refund payments if I thought they had been lost as the result of a scam and that Barclays was responsible for the loss. As I'm not persuaded that this was the case, I don't think Barclays needs to do anything further.

### Responses to my provisional decision

Barclays accepted the provisional decision and said it had nothing further to add.

Ms W replied via her representative to say she disagreed. In summary she said:

- The FCA cancelled the firm's registration in 2020 which underscores regulatory concerns that indicate fraudulent practices.
- The absence of branch notes raises questions regarding Barclays' procedures for high value payments, particularly considering Ms W's vulnerabilities. And it didn't sufficiently intervene when the payments were made.
- The nature of the communication between Ms W and the 'scammer' suggests this was more than a high-risk investment.

### **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've thought carefully about what Ms W has said in response to my provisional decision, but it doesn't change my decision not to uphold this complaint. I'll explain why.

In June 2020 the FCA published a statement explaining M could no longer open new accounts for UK customers. It explained there was recourse for dissatisfied customers and that existing customers that were unhappy with any aspect of their trading account should first complain to the firm. It noted customers who remained unhappy with the firm's response, or it failed to respond, could ask the Cyprus Financial Ombudsman to consider their complaint. This option isn't something I would typically expect if M were a scam company.

As explained in my provisional decision, some high-risk investments can involve sales methods that are arguably unethical or misleading but they don't necessarily meet the high legal threshold or burden of proof for fraud.

I don't have sufficient evidence to conclude Ms W fell victim to a scam and believe on balance the investment was legitimate at the time she made the payments. Therefore, Barclays had no obligation to prevent Ms W's payments, and so I couldn't reasonably hold it responsible for not preventing the payments.

### **My final decision**

For the reasons explained, and in my provisional decision, I do not uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 28 October 2025.

Charlotte Mulvihill  
**Ombudsman**