

## The complaint

Mr T complains that Barclays Bank UK PLC didn't do enough to protect him from the financial harm caused by an investment scam, or to help him recover the money once he'd reported the scam to it.

## What happened

On 24 January 2019 and 25 January 2019, Mr T transferred two payments of £20,000 each to "M" to invest in what he understood was an ISA Property Bond. This was on the advice of someone he'd known for over 20 years.

In August 2024, he complained to Barclays with the assistance of a representative who said the sudden and rapid increase in spending was unusual, and it should have stopped the payments and asked what they were for, how he heard about the opportunity, and what returns he'd been promised, and that the loss was a direct result of its failure to do so.

The representative asked Barclays to refund the money he'd lost, plus £1,000 compensation for poor service, explaining that Mr T wasn't told that the property was located overseas, and if he'd known, he wouldn't have gone ahead with the investment.

But Barclays refused to refund any of the money Mr T had lost. It said the Contingent Reimbursement Model ("CRM") Code didn't apply to the payments because they took place before it signed up to the code. And it didn't accept Mr T had been the victim of a scam because M was still active and so he should address his concerns directly to M.

Mr T wasn't satisfied and so he complained to this service with the assistance of his representative who argued that his banking history ought to have alerted Barclays to the unusual nature of the payments.

Responding to the complaint, Barclays said Mr T chose to invest based on information provided by a friend, he didn't adequately verify the legitimacy of the investment, and, in any event, it didn't accept M was operating a scam.

Our investigator didn't think the complaint should be upheld. She explained that there are no warnings on either the Investor Alerts Portal of the International Organization of Securities Commissions ("IOSCO"), or the Financial Conduct Authority ("FCA") website, and M was a UK-based peer-to-peer lending platform which was registered with the FCA. She concluded there is no credible evidence that M was operating a scam, and therefore Barclays didn't act unfairly or unreasonably by not intervening when he made the payments.

Mr T's representative has asked for the complaint to be reviewed by an Ombudsman. They maintain that Barclays should have questioned Mr T about the payments and even though M wasn't flagged as fraudulent, he was a victim of high-pressure sales tactics, and M promoted investments without full transparency, potentially breaching its regulatory obligations.

## **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 conclusion as our investigator. And for largely the same reasons. I know Mr T feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Mr T 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr T is presumed liable for the loss in the first instance.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk unregulated investments that resulted in disappointing returns or losses. Some of these investments may have been promoted using sales methods that were arguably unethical and/or misleading. However, while 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).

M is the trading name of Company D, which is registered on Companies House. M is no longer trading, but that doesn't mean it was a scam and the information I've seen shows that, at the time of the payments, M was a legitimate peer-to-peer lending platform. There are no warnings about M on either the FCA or IOSCO websites, and I haven't been able to find anything online to suggest that it was operating a scam. In addition, Mr T was referred to the investment by someone he'd known for many years, which isn't consistent with this having been a scam. So, having considered the circumstances, I'm not satisfied that Mr T has shown that she was the victim of a scam and so I can't conclude that Barclays needed to do anything to prevent his loss.

### *Recovery*

Because Mr T made the payments in 2019 and didn't report the scam to Barclays until August 2024, I'm satisfied that there would have been no prospect of a successful recovery.

### *Compensation*

I haven't found any errors or delays to Barclay's investigation, so I don't think Mr T is entitled to any compensation.

I'm sorry to hear Mr T has lost money and the effect this has had on him. But for the reasons I've explained, I can't fairly tell Barclays to do anything to resolve this complaint.

## **My final decision**

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 October 2025.

Carolyn Bonnell

**Ombudsman**