

The complaint

Mrs M and the estate of the late Mr M complain that Barclays Bank UK PLC will not refund money lost to a scam.

What happened

The background to this complaint is well known to both parties, so I will not repeat it in detail here.

In summary, while on holiday Mr and Mrs M entered into an agreement with a property development firm and in July 2017 they paid £94,716 towards what they thought was a genuine investment opportunity. They later discovered that the firm had been dissolved and subsequently realised that it had been a scam. Mrs M complained to Barclays but it didn't uphold the complaint or refund the money they lost.

Our investigator didn't think the complaint should be upheld. Although she thought Barclays ought to have intervened when the payment was made, she didn't think it would have been able to prevent the loss.

Mrs M didn't accept our investigator's view and as an agreement could not be reached, the matter 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.

I understand that Mrs M has been the victim of a very cruel and sophisticated scam and I'm sorry she has lost a considerable sum of money. However, I must put aside my feelings and consider the complaint impartially. Having done so, I agree with our investigator's outcome for the following reasons:

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Barclays should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Considering the value of the payment to a new payee and that it was not in keeping with Mr and Mrs M's usual account activity, I think Barclays ought to have been concerned that they may have been at an increased risk of financial harm and intervened. In doing so, I think it ought reasonably to have enquired about the purpose of the payment and circumstances surrounding it.

But that's not the end of the story, while I think Barclays ought to have done more here, I must also consider whether it could have uncovered the scam and prevented the loss had it intervened as I think it ought to have done. I'm not persuaded it could.

I think it is important to highlight that where the evidence is limited, I must make a decision

on the balance of probabilities, that is, what I consider most likely to have happened based on the information that is available and the wider circumstances at play at the time of the event.

I find at the time the payment was made, there was limited, if any, information available, (online or elsewhere), to indicate that the investment was a scam. Had Barclays questioned Mr and Mrs M it's likely to have been made aware of several firms involved in the investment including the brokerage firms Mr and Mrs M consulted. I have conducted my own research and found there were no warnings about any of the firms involved published by the Financial Conduct Authority (FCA) nor were there any warnings provided by the International Organization of Securities Commission (IOSCO). These are organisations I would expect banks such as Barclays to monitor. The firm the payment was made to is registered on Companies House and is still active, similarly the mortgage brokerage firm they consulted are also active and FCA authorised adding to the appearance of the legitimacy of the investment. Additionally, the returns promised were not unrealistic and I do not find the circumstances surrounding the investment would have appeared suspicious.

I accept that the police department found that a director of the investment firm defaulted on a large loan in relation to a similar property investment scheme that failed. I appreciate Mrs M thinks this information would also have been available to Barclays at the time, but I cannot fairly or reasonably expect Barclays to undertake the level of investigation the police department would. Furthermore, I have not seen evidence that this was information that was readily available when the payment was made. It is also worth noting that a previously unsuccessful investment does not automatically mean the investment Mr and Mrs M were involved in was a scam or that the firm or its directors intended to defraud them. Where it has no reason to be concerned that the investment might be fraudulent, I couldn't reasonably expect Barclays to undertake in depth research into the investment.

Overall, I think it is unlikely that Barclays could have told Mr and Mrs M with any certainty that they were falling victim to a scam, however it ought reasonably to have given a general warning about the risk of scams.

I have considered whether a warning of this nature would have impacted Mr and Mrs M positively and prevented the loss and I don't think it would. This is because, the payments were made to an established firm. Mr and Mrs M had been provided with documentation which was professional in appearance, and I think this would have convinced them that it was a genuine investment. While we haven't been provided with evidence of what was discussed, I'm aware Mr and Mrs M had met with an intermediary firm who gave advice on the investment. I think it's likely Mr and Mrs M would have relied on information from the intermediary over a general scam warning from Barclays. I do not find that the circumstances of the investment bore the hallmarks of common scams at the time, so I do not think a general warning would have resonated with them. Thus I'm not persuaded that Barclays could have prevented the loss.

Additionally the matter was not reported to Barclays until several years later and by which time the investment firm had dissolved, so unfortunately, I'm not persuaded there were any prospects of recovering the funds from the beneficiary account.

I've thought carefully about everything that happened, and I appreciate that Mrs M and the estate of Mr M have suffered a significant loss. But I could only uphold this complaint if I thought any errors on Barclays' part was material to the loss, and I'm not persuaded it was. As such I can't fairly or reasonably hold it responsible and expect it to reimburse the loss incurred.

My final decision

For the reasons outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and the estate of Mr M to accept or reject my decision before 14 November 2025.

Oluwatobi Balogun
Ombudsman