

## The complaint

T, a limited company, complains that Barclays Bank UK PLC won't refund the money it lost when it was the victim of what it feels was a scam.

## What happened

In November 2021, T was told about an opportunity to invest in a lighting technology company (P). T's directors spoke with someone from the company and understood the investment was to loan funds to P in return for acquisition of shares in P. P would then repay the loan after a minimum term of 12 months. And after looking into the company and its directors, T agreed to invest and made a payment of £5,000 from its Barclays account to P in December 2021.

Unfortunately T wasn't returned the money it'd invested after the end of the 12-month term. P sent a number of updates explaining the delays, citing financial constraints and Covid-19. But in late 2022, the person who introduced T to the investment said they now thought this was a scam, and T reported the payment it had made to Barclays.

Barclays investigated, but didn't agree to refund the money T had lost from the investment. T wasn't satisfied with Barclays' response, so referred a complaint to our service.

I sent T and Barclays a provisional decision on 9 September 2025, setting out why I wasn't intending to uphold the complaint. That provisional decision forms part of this final decision and is copied below:

*"Before T's complaint was referred to our service, Barclays hadn't yet given it an outcome on its claim as it said the matter was still under review due to the complex nature of the investigation. But I don't think it's necessary for me to make a finding on whether or not T has been the victim of a scam here as, even if it had, I'm not satisfied that it is T that has suffered a loss.*

*The directors of a company and the limited company itself are separate legal persons – they are not one and the same. And something being purchased by the directors in a personal capacity is not the same as something being purchased by the limited company.*

*Here, T's directors made a number of payments to invest in the lighting technology company from their personal account at the same time as the payment made from T's account. And when asked about why the payments had been made in this way and from these different accounts, T's directors made a number of points – including mentioning director's loans, spreading tax liability and using the returns from the investments for day-to-day personal expenses, such as putting food on the table. And I think these explanations suggest their intention for the investments was to use the returns for their personal benefit, rather than the benefit of T.*

*T's directors also didn't put forward any explanation which would suggest their intention was to use the returns from the investment for the benefit of T. And I haven't seen any*

*persuasive evidence to suggest that the investment was being made by T in its own capacity.*

*So I think it's likely the payment from T's account was intended to fund a personal investment being made by T's directors in a personal capacity and for their own personal benefit.*

*In light of this, broadly speaking there are two potential scenarios in relation to the payment made from T's account. Firstly, that this was, in effect, T lending money to its directors personally. And if T's directors had borrowed money in this way from T for personal gain, then they would be liable to repay that debt to T. So, in this situation, T can't fairly be considered to have suffered a loss, as it is still owed the money by its directors.*

*The second potential scenario is that, by spending on its account in this way, T was discharging some debt it owed to its directors – either a dividend payment, wages, a return of capital, or some other debt. But in this situation, T also hasn't suffered a loss. Its debt has been discharged and its directors were provided with what they were owed, which they paid to the investment company.*

*So whichever approach I take to the payment made from T's account, I'm not persuaded that T itself has suffered a loss. So even if I were to conclude that Barclays had made an error in its handling of the payment, it wouldn't be fair and reasonable for me to ask it to do anything further, as any error didn't cause a loss to T.*

*I appreciate this is not the answer T or its directors were hoping for. But, as I don't think T has suffered a loss here, I don't think it would be fair and reasonable to require Barclays to refund the payment made from its account or to do anything further to resolve this complaint."*

I said I'd consider anything further T and Barclays submitted following the provisional decision, provided it was received by the deadline given.

### **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.

Barclays didn't respond to the provisional decision.

T responded, disagreeing with the provisional decision and arguing that this was a business investment made to build the balance sheet and grow the company. It said the investment was made for the benefit of the company, it was provided with a loan agreement in the name of the company, and T had suffered a loss. And it said it knew of other companies that had been reimbursed in relation to this scam.

But while I recognise T has now said the investment was made for the benefit of the company, when it's directors were initially asked about why the payments towards the investment had been made from the accounts they had, I think their explanations suggested their intention for the investments was to use the returns for their personal benefit, rather than the benefit of T. And I think these initial explanations are stronger and more convincing evidence of their intentions than the explanation T has subsequently given.

T also hasn't provided any further documentary evidence to suggest that the investment was being made in its own capacity or that the intention was to use any returns from the investment to benefit the company.

It's not possible to know for sure what T's directors intended when making this investment. But where the available evidence is unclear or inconclusive, I must make a decision about what I think is most likely to have happened based on the evidence I do have.

And I still think it's likely the payment from T's account was intended to fund a personal investment being made by T's directors in a personal capacity and for their own personal benefit.

I appreciate T has said it knows of other companies that have been reimbursed in relation to payments made to P. But the issue here is not just that T is a limited company, but that I think the available evidence suggests the investment was being made by T's directors in a personal capacity and for their own personal benefit – rather than for the benefit of T itself. The Financial Ombudsman Service also looks at each case individually on its own merits, and I can't comment on the outcome or circumstances of any other complaints in this final decision about T's complaint.

As I explained in the provisional decision, because I think the payment from T's account was intended to fund a personal investment being made by T's directors in a personal capacity and for their own personal benefit, I then don't think T has suffered a loss here. And as I don't think T has suffered a loss here, I don't think it would be fair and reasonable to require Barclays to refund the payment made from its account or to do anything further to resolve this complaint.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 14 November 2025.

Alan Millward  
**Ombudsman**