

The complaint

A, a limited company complains that Barclays Bank UK PLC won't provide a refund of payments that were lost to a scam.

Mr A, director of A, brings the complaint on behalf of A.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr A had previously invested a large sum of money which he believed had been lost after the company in question went bust. Mr A was then contacted by a company, that led him to believe that he might be able to recover some of those funds. He was advised this process would be carried out by a firm I'll refer to as E.

Over the next 5 months, Mr A would proceed to make payments totalling around £78,000 at the direction of E in the belief that he would be able to recover his lost investment. The payments were made from the account of A – which Mr A had control of.

Mr A said that it was only when he went to raise money for the final payment that his family member highlighted the potential that this could be a scam. He then began to question E and that was when the scam began to unravel.

Mr A raised a claim and complaint on A's behalf with Barclays. It initially informed him that it had been unable to locate a scam claim. However after further consideration, it declined to provide a refund and rejected the complaint.

A's complaint was then brought to this service which was also rejected by our investigator. And as an agreement couldn't be reached, the case has since 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.

The details of this complaint are well known to both parties. So, if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Barclays was responsible for A's loss.

That said, I do want to firstly highlight some initial concerns. As the complaint has been presented, it would appear the payments made as a result of this scam were made in the belief that Mr A would be able to recover funds he had personally invested in the past. As such, this raises questions around whether A itself has suffered a financial loss and whether it would be fair and reasonable to hold Barclays liable for that. But I don't seek to address

this in detail, as there are other reasons – which I’ve set out below, as to why I’m not satisfied Barclays are responsible for A’s loss here.

It’s not in dispute that Mr A on A’s behalf authorised the payments in dispute. So, in accordance with the Payment Services Regulations 2017, A is presumed liable for the loss in the first instance.

When considering what is fair and reasonable in this case, I’ve thought about the relevant rules that were in place at the time this disputed payment was made. From 7 October 2024, Payment Services Providers in the UK, like Barclays, have been bound by the Faster Payments Scheme and the CHAPS Reimbursement rules. Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed.

However, the scope of the Reimbursement rules only covers certain types of payments – those being faster payments or CHAPs payments.

Barclays has confirmed that the payments were all set up as 3-day BACS payments. As the payments subject to this complaint were processed through BACS, they don’t fall under the scope of the Reimbursement rules. I therefore won’t be considering them in my findings.

That said, having considered the evidence carefully, I don’t find Barclays could have reasonably prevented A’s loss here and for much the same reasons as set out by our investigator. Barclays is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I know this will come as a disappointment to Mr A, but I’m not persuaded the transactions would have appeared suspicious at the time Barclays received the payment instructions. BACs payments weren’t unfamiliar to A’s account. Barclays has confirmed A’s account saw 42 payments of this type in the six months prior to the first disputed transaction made in November 2024. Furthermore, having reviewed A’s account history, I’m satisfied the transaction values and volume were in keeping with how the account had previously operated.

I’ve also considered the steps taken by Barclays when it was on notice by Mr A about the disputed transactions. I’m satisfied Barclays took the appropriate steps in attempt to recover any available funds. But I also can’t ignore that for large majority of the payments it had been weeks and months since they had been made. That said, Barclays confirmed that it was able to recover some funds to A’s account.

For the reasons I’ve set out above, I don’t find there were any failings on Barclays’s part that would lead me to uphold this complaint.

I’m mindful that Mr A has raised some concerns regarding the different available payment methods. Barclays aren’t responsible for the Reimbursement scheme rules and the types of payments they cover. And from the statements I’ve seen, Mr A’s account had been in operation before 7 October 2024 – when the Reimbursement scheme came into force. As I’ve also referenced, A’s account history had shown use of this payment method, alongside the other available payment methods to A’s account. So, I’m unable to agree with this aspect of A’s complaint.

For completeness, Mr A has also raised some concerns regarding the overall handling of the claim and complaint process. I acknowledge Mr A’s dissatisfaction of this, however the eligible complaint here is A, a limited company. This service cannot make awards for

distress to a limited company. So, whilst I recognise Mr A has described this experience as being distressed from this incident, this isn't a matter I can compensate A for.

My final decision

For the reasons I've explained 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 A to accept or reject my decision before 10 April 2026.

Mark O'Connor
Ombudsman