

## The complaint

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

## What happened

In late 2021 one of N's directors, Mr M, found out about an opportunity to invest with a cryptocurrency investment company. He checked reviews of the company and spoke to other people who had invested. And he then decided to invest and made two payments from N's account to a broker, who was to transfer the funds to the cryptocurrency investment company.

I've set out the payments made from N's account below:

Date	Amount
4 October 2021	£205
4 October 2021	£7,500

Unfortunately, Mr M didn't receive the returns he was expecting from the investment and hasn't been able to withdraw the funds. So he reported the payments to Barclays as a scam and asked it to refund the money he had lost.

Barclays didn't agree to refund the payments made out of N's account. And N wasn't satisfied with Barclays' response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think it would be fair to require Barclays to refund the payments made from N's account, as they didn't think N had suffered a loss. N disagreed with our investigator, so the complaint has been passed to me.

## 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 don't think it would be fair and reasonable to require Barclays to refund the payments made from N's account here. I'll explain why below.

N has argued that Barclays failed to meet its regulatory duties and obligations, and didn't do enough to protect it when it made these payments. But I don't think it's necessary for me to make a finding on whether or not Barclays has made any failings here as, even if it had, I'm not satisfied that it is N 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 done by the directors in a personal capacity is not the same as something being done by the limited company.

Here, when asked, N has said Mr M borrowed funds from N in order to make the investment. And it has sent us evidence of communication Mr M had with the cryptocurrency investment company, which shows that the investment was recorded in Mr M's personal name. So I think the payment from N's account was intended to fund a personal investment being made by Mr M in a personal capacity and for his own personal benefit.

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

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

So whichever approach I take to the payment made from N's account, I'm not persuaded that N 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 N.

I appreciate this is not the answer N or its directors were hoping for. But, as I don't think N has suffered a loss here, I don't think it would be fair and reasonable to require Barclays to refund the payments 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 N to accept or reject my decision before 13 February 2026.

Alan Millward  
**Ombudsman**