

## The complaint

Mr H complains that Barclays Bank UK PLC ('Barclays') won't reimburse him after he fell victim to an investment scam.

Mr H is professionally represented in bringing his complaint to our service, but for ease of reading I'll refer to all submissions as being made by Mr H directly.

For completeness, I'm aware Mr H has another complaint with our service, in relation to payments he made from another account he held with Barclays'. I make no findings as to those payments within this decision, which is about the payments Mr H made from his currency account with Barclays.

## What happened

The details of the complaint are well known to both parties, so I won't repeat them in full here.

Mr H says in the latter part of 2022, he became aware of an investment opportunity which I'll call 'TD'. Mr H said he was provided with information, such as trading history and performance data for TD and was convinced TD was a good investment. Mr H added that the investment would be conducted on a platform that he felt added to its legitimacy.

Believing all to be genuine, Mr H proceeded to make four international payments between 14 November 2022 and 29 November 2022, from his Barclays' currency account totalling \$288,839.77 (around £158,809.84).

Mr H was then informed that TD had closed and been sold to who I'll refer to as 'B' – that his funds were migrated to the new entity. When Mr H was unable to withdraw his funds from TD or B, he realised he'd fallen victim to a scam.

Mr H complained in 2024 to Barclays about what had happened. Barclays say the issues were investigated as a concern and so no final response was issued. It's letter in November 2024, commented that a scam claim had not been raised and that the matter couldn't be investigated until this had been raised.

Mr H brought his complaint to us, but our Investigator didn't uphold it. In brief, he thought Barclays ought to have been concerned about the account activity when Mr H made the third payment. However, he didn't think any intervention from Barclays' could've prevented Mr H from making the payments towards the investment. It followed that he didn't think Barclays was liable for the money Mr H lost to the scam.

Mr H strongly disagreed with our Investigator's conclusions. He provided further reasoning around why he didn't agree with the finding that intervention wouldn't have made a difference. He said this was speculative and overlooks the escalating risk profile evidence from the payment sequence itself. Mr H felt, on the balance of probabilities, a direct verbal intervention would have caused him to pause and not proceed.

As an informal resolution hasn't been reached, Mr H's complaint has now been passed to me for review and a decision.

### **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 acknowledge Mr H has made detailed submissions in relation to this complaint and, I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having thought about everything carefully, I've reached the same overall conclusion as our Investigator. And for largely the same reasons. I know Mr H feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations ('PSR') and the terms and conditions of the customer's account. It's not in dispute that Mr H authorised the payments from his currency account, and even though he didn't intend for his funds to go to a fraudster, he is presumed liable for the loss in the first instance.

However, where the customer made the payments as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

The Lending Standards Board's Contingent Reimbursement Model (the CRM Code) offers some protection for customers who have fallen victim to an APP scam – but the CRM Code does not apply to international payments, as these were. Nevertheless, I would expect Barclays to be on the lookout for out of character or unusual payments made from its customers' accounts, to ensure they weren't at risk of financial harm from fraud.

In this case, I need to decide whether Barclays acted fairly and reasonably in its dealings with Mr H, when he made the payments and he reported the fraud, or whether it should have done more than it did.

Mr H made the payments in dispute from his currency account with Barclays – an account used for sending money abroad. So, when he made the international payments, the activity was consistent with the normal purpose of the account. Further, when I look at the account activity in the months prior to the scam payments, I'm also not persuaded that the payments Mr H made as part of the scam were so unusual or suspicious by comparison. I say this because, I can see in April 2022, Mr H made three payments totalling \$300,000 towards another investment (which I'll refer to as 'S'). And in May 2022, he made several payments totalling over \$600,000, including multiple payments of \$100,000.

With this in mind, I think it's arguable in the specific circumstances of this case whether Barclays ought to have intervened on any of the payments in view of the previous account activity. That said, our Investigator thought Barclays ought to have been concerned about the account activity by the third payment (\$100,000 on 23 November 2022). He thought appropriate intervention would have been direct verbal contact with Mr H.

So I've turned to whether I consider any intervention from Barclays (and at any point) would've made a difference or prevented Mr H's loss here. I acknowledge Mr H feels strongly that, on balance, intervention would've caused him to pause and not proceed, but I'm afraid I don't agree. Based on everything I've seen and been told, I think it is more likely than not that Mr H would have continued to make the payments, and I don't think Barclays would fairly and reasonably been able to have foreseen that Mr H was about to lose money to a fraudster. I should be clear that I can't know for certain how events would have transpired if Barclays had handled things differently. I must reach a conclusion on the balance of probabilities and that conclusion must be informed by the available evidence.

Having thought carefully about this, I'm not persuaded that a proportionate intervention by Barclays would've prevented the scam from taking place. I don't think it's more likely than not that an employee of Barclays would have been able to identify that Mr H may have been at risk of financial harm, by asking him questions about the payments.

I say this because, Mr H has said he wasn't coached by the fraudster about what to say and so, I have no reason to doubt that he would have told the bank that the purpose of the payments were to invest. With this in mind, I'd have expected Barclays to ask Mr H some further questions about the payments, in the context of the particular features of an investment scam. For example, it could have asked questions such as, but not limited to, what the payment was for, whether Mr H had been looking to invest, how he'd come across the investment, what research had he done and whether he had been cold called and what rate of return he was being offered.

Had it asked these, or similar questions, I'm persuaded Mr H would have been able to answer these confidently and plausibly without concerning Barclays that he might be at risk of financial harm or the victim of a scam. I say that as Mr H would have been able to tell Barclays that he'd become aware of TD via a trusted contact (Mr H has said this contact presented himself as a broker/adviser) and who'd introduced him to an earlier investment with 'S'. Alongside this, Barclays would of course have been able to view Mr H's account history, which would have shown that it wasn't uncommon for him to make large transactions and for investment purposes – and it would have been able to see the payments Mr H made to S (amounts similar to those he was making to TD). It also would've been able to see the receipt of a credit into Mr H's account relating to S.

There also weren't any negative reviews about TD at the time the payments were made – it appears warnings and negative information about TD surfaced years later, around 2024.

I'm mindful of Mr H's comments that the payments were being made to an unregulated overseas investment and his belief that this increased the risk and ought to have prompted a heightened scrutiny from Barclays. But even if Barclays have discussed the investment and acknowledged that the payments were being made to an unregulated overseas investment, I would've expected it to ask Mr H what checks and due diligence he'd completed. Given that I'm aware Mr H was introduced to the investment via a trusted source – one that had he shared the details of – would've shown was linked to a company abroad that was interested in early-stage investments and acquisitions opportunities, I don't think this would've caused Barclays concern. I'm persuaded this aspect would've plausibly have satisfied the bank that Mr H had come by the investment opportunity via a trusted source – one that he'd previously been in touch with and subsequently made payments towards another investment opportunity.

Mr H has also shared that he doesn't recall any guarantee or claim that the investment was risk-free. He said it was presented as a managed trading product consistent with historical returns and no indication or abnormal or hidden risk. So had Barclays asked Mr H about

what he was told about the investment returns, overall, I'm not persuaded what he would've shared would've been a red flag to Barclays.

Mr H also highlights that by the fourth payment on 29 November 2022, the account balance was reduced to zero, representing a full depletion of funds. Again, he considers this ought to have prompted heightened scrutiny from Barclays. I've thought carefully about this point, but having reviewed the bank statements for Mr H's currency account, I note that the account balance had previously been reduced to zero on other occasions – such as, in December 2021, January 2022 and in October 2022. It follows, that I don't find this factor in and of itself ought to have been an indication that Mr H was at risk of financial harm from fraud.

All things considered, overall and on balance, in the individual circumstances of this case I'm persuaded, it's more likely than not the answers Mr H is likely to have given would have been sufficient to reassure Barclays that he wasn't at risk of financial harm. From the information I've seen and considering the circumstances of what was happening, I'm persuaded it's more likely than not Mr H would have been confident he was making payments to invest in what seemed like a legitimate investment opportunity – one he'd come by via a trusted contact.

### Recovery

Because Mr H made the payments in November 2022 and didn't report the scam to Barclays until 2024, I'm satisfied that there would have been no prospect of a successful recovery.

Mr H has told us the impact this situation has had on him. I don't underestimate Mr H's strength of feeling, and I don't doubt this would have been a very difficult and worrying time for him. It's very unfortunate Mr H has lost this money in this way, and I understand the whole experience has been deeply upsetting, and I do have a great deal of sympathy for him. But in the circumstances, I don't think I can fairly or reasonably say Barclays should have done more to prevent Mr H from losing this money. So, I don't think it would be fair for me to ask Barclays to refund the loss.

### **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 H to accept or reject my decision before 9 April 2026.

Staci Rowland  
**Ombudsman**