

The complaint

Mr S complains that Barclays Bank UK PLC will not refund the money he lost when he was the victim of a scam.

Mr S is represented in this complaint by a claims management company, but for simplicity I will largely refer to Mr S throughout this decision, even when referencing what his representatives have said on his behalf.

What happened

In 2024 Mr S came across an investment opportunity on social media. Mr S submitted his details and was contact by an individual claiming to work for the investment firm. This person convinced Mr S to make a small initial investment, and Mr S has said he could see this investment was growing so he continued to invest more. Unfortunately, and unknown to Mr S, there was no legitimate investment, he was dealing with a scammer.

Over a few months Mr S made various payments to the scam, via accounts he held with high street banks (including Barclays) and accounts he held at various other banks and cryptocurrency exchanges. In total he made four payments totalling £31,000 to the scam from his Barclays account. Three of these payments were to accounts in his own name at other banks, one payment was to a third party.

Ultimately, Mr S realised he had been the victim of a scam, when the scammers repeatedly asked him to pay fees to release his supposed profits. And he contacted Barclays to tell it what had happened. Barclays looked into Mr S' claim but declined to refund any of his loss, it said it had intervened appropriately in the payments he had made.

Mr S was unhappy with Barclays' response, so he asked us to consider his complaint.

One of our Investigators looked into what had happened, but they were satisfied that Barclays could not have done any more to prevent Mr S's loss, so they didn't recommend that Barclays refund any of that loss to him.

Mr S and his representatives did not agree this was fair, they've said that Barclays interventions were not adequate, and that proportionate, timely, interventions and proper questioning of Mr S would have brought this scam to light and prevented much of the loss. They also argued that, for the one payment where the Lending Standards Board's Contingent Reimbursement Model Code (the Code) was relevant, Mr S *did* have a reasonable basis of belief that the investment was legitimate, and that Mr S should be considered as vulnerable at the time of the scam.

As no agreement could be reached this case has now been passed to me for 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.

Having done so, I've reached the same overall outcome as the investigator, I'll explain why.

It's not in dispute that Mr S authorised the payments that are the subject of this complaint. So, as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr S is responsible for them in the first instance. That remains the case even though he was the unfortunate victim of a scam.

And I'm satisfied that all but one of the payments Mr S made from his Barclays account to this scam were to accounts he himself controlled (his own accounts at other banks). This means that the Code does not apply to these payments.

One payment, made on the 24 September 2024 and for £10,000, was to a third party, and so would be considered under the Code. I will address this payment first.

The Lending Standards Board Contingent Reimbursement Model (the Code) was a voluntary code which set out a number of circumstances in which firms were required to reimburse customers who have been the victims of certain types of scam.

The Code required firms to reimburse customers who have been the victim of authorised push payment scams, like the one Mr S fell victim to, in all but a limited number of circumstances.

Under the Code, a firm may choose not to reimburse a customer if it can establish that:

- The customer ignored an effective warning in relation to the payment being made
- The customer made the payment without a reasonable basis for believing that:
 - o the payee was the person the customer was expecting to pay;
 - o the payment was for genuine goods or services; and/or
 - o the person or business with whom they transacted was legitimate

There are further exceptions within the Code, but these don't apply here.

In addition, the Code also requires firms to assess whether a customer was vulnerable to the APP scam they fell victim to at the time it occurred.

In this case, I think that Barclays has fairly established that one of the above exceptions applies. Overall, I find that Mr S ought to have done more to verify that the person he was dealing with was actually able to offer him what they claimed. I note that the returns they were claiming to offer were very high, and in my mind significant enough to really be considered as too good to be true regardless of how experienced an investor was. And all of this was arranged via an informal social media messaging service, not what one might expect from a legitimate investment opportunity.

I acknowledge that Mr S was apparently an inexperienced investor, but even so, I would expect him to have taken some steps to verify that this was a legitimate scheme. Mr S has said that he carried out an internet search and that the website for the firm he believed he was dealing with appeared to be legitimate. But Mr S was not dealing directly with that firm, he was talking to an individual via WhatsApp, and he doesn't seem to have done anything to check that this person was actually linked to the investment firm. So, whilst I accept that the website he saw might have been persuasive, I've not seen any evidence regarding the

legitimacy of the individual who's instructions he was following. With this in mind, given the large amounts he was being asked to pay, I think he ought to have had significant concerns about the transactions he was making.

Given that I don't think Mr S had a reasonable basis for belief regarding this payment, he is not automatically entitled to a refund of it under the Code. He may though be entitled to a partial refund if it can be established that Barclays failed in its obligations to him under the Code, specifically regarding the provision of effective warnings.

However, Barclays did intervene in this payment, and specifically asked Mr S what it was for, but Mr S was not honest. He claimed this payment was to a friend he had known for many years to help with the costs of renovations. This was not true, but given that Mr S did not say anything to Barclays about this payment being for an investment, I don't see how we could reasonably say that Barclays should have given him a warning about investment scams. Mr S has argued that the story he gave regarding this payment was not plausible but I don't agree, I can't see that anything he said here would have suggested he was falling victim to a scam – particularly not an investment scam. And while I appreciate that Mr S had made other large payments, those payments had been made several weeks earlier and would not have been clearly linked to this payment.

I also don't agree that Mr S has provided evidence to show that he was particularly vulnerable to this scam at the time. I appreciate that he was on medication, and that medication *can* impact on daily functioning. But Mr S and his representatives have provided no evidence that Mr S was specifically impacted in this way, and what I've seen of his interactions with the scammer and with the banks does not suggest to me that he was unable to protect himself from this scam at the time due to any vulnerability.

Because of this, Mr S is not automatically entitled to a refund of this payment under the Code. Nonetheless, the regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. Taking the above into consideration, I need to decide whether Barclays acted fairly and reasonably in its dealings with Mr S, or whether it should have done more than it did. And I have gone to consider all the payments Mr S made with this in mind.

I'm satisfied that all of the payments Mr S made that were for high amounts (the three £10,000 payments) were unusual enough to merit some intervention from Barclays. But I can see that Barclays did intervene, it spoke with Mr S about each of the four payments he made from his Barclays account to fund this scam. I am also aware that Mr S spoke with another of his banks (Bank N) about other payments he made to the scam around the same time.

When Barclays spoke with Mr S he was not open and honest about what he was making payments for, he said he was moving savings, and that he was paying an old friend. And Mr S was asked on at least one occasion if a payment was anything to do with an investment, and he said no. I think that Barclays was prevented from giving relevant warnings about investment scams by Mr S' failure to be honest about what he was doing, because Mr S said he was moving savings and paying a friend, he was given warnings directly relevant to those payment purposes. And he had been warned about the importance of being honest with Barclays.

I acknowledge that Barclays could perhaps have probed Mr S more deeply about what the payments were for, but I agree with our investigator that – given what happened when Mr S

spoke with Barclays and with Bank N – I can't fairly say that any more in-depth intervention would have changed the outcome here. When Mr S was challenged by Bank N, and was unable to provide satisfactory evidence regarding a payment they had blocked, he took steps to instead make that payment from his Barclays account. So, it seems clear to me that Mr S was intent on making these payments, even when he knew that banks had concerns.

Mr S's representative has suggested that the Banking Protocol should have been invoked here, but I don't agree that either the amounts in dispute or Mr S' behaviours merited such a step.

I don't doubt that Mr S was manipulated by the scammers, he sincerely believed he was talking to someone legitimate. However, what I need to consider here is whether Barclays could have done anything to prevent the loss. And with everything I have seen, I think that, with any proportionate intervention from Barclays, it is more likely than not that Mr S would have continued to make the payments to the scam, either via his Barclays account or from another account. So, I don't think Barclays could have prevented his loss. I'm sorry to disappoint Mr S, as I know that he has lost a significant amount of money. But bearing in mind all the circumstances of this case I cannot fairly say that Barclays should be responsible for that loss.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 April 2026.

Sophie Mitchell
Ombudsman