

The complaint

Mrs C complains that Barclays Bank UK PLC (Barclays) is refusing to refund her the amount she lost as the result of a scam.

Mrs C is being represented by a third party. To keep things simple, I will refer to Mrs C throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

Mrs C was in contact with a third party (X). There has been some conflicting information provided about how Mrs C started communicating with X be it on a friend's recommendation, or via a cold call. This hasn't been clarified by Mrs C.

Mrs C made payments as instructed by X believing she was investing in a business called E-Conomize Limited. Mrs C made the following payments:

Date	Payee	Payment Method	Amount
5 October 2017	WWW.UTILICOENERGY	Debit Card	£2,400
5 October 2017	WWW.UTILICOENERGY	Debit Card	£6,000

Mrs C could see the value of her shares growing and said she was convinced to transfer her shares from E-Conomize Limited to another part of the business called Westway Holdings Limited. This is when the business disappeared.

One of our Investigators reviewed the complaint and didn't think it should be upheld. They found there was not sufficient evidence to show Mrs C had fallen victim to a scam, and Barclays was not responsible for her loss.

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.

Not every complaint referred to us and categorised as an investment trading scam is in fact a scam. Some cases simply involve high-risk investments that resulted in disappointing returns or losses.

In simpler terms, some merchants may have used sales and promotional methods that could be seen to be unfair by consumers considering the losses they've incurred – but this does not always amount to fraud.

The payments Mrs C made went to a business called WWW.UTILICOENERGY (Utilico Energy) and she says she was investing with a business called E-Conomize for which she has shared copies of her share certificates which include the business company number.

Having searched companies house I can see that E-Conomize Limited was a registered business that changed its name in 2018 and was later dissolved in 2022. The business traded for almost six years.

Utilico Energy are also a registered business and had been trading for six years before Mrs C made the payments.

With the above in mind and the limited information provided, I don't have enough to say the payments Mrs C has complained about relate to a scam.

Mrs C has provided further information about Westway Holdings Limited. But I am unable to see any link between the payments Mrs C made and this business. Mrs C has also provided very limited information to support this. In any event it would appear Mrs C's loss occurred when she transferred her shares from the business she initially invested with (E-Conomize), to a different business.

As I think it's unlikely Mrs C's loss occurred when she made the payments from her Barclays account, I am unable to hold Barclays responsible for it.

Even if I was to conclude that Mrs C had fallen victim to a scam when she made payments from her account with Barclays (which I don't think she did, based on the information we have) I still wouldn't be able to hold Barclays responsible for her loss.

The question I would have had to ask is whether Barclays should have been aware of the scam and stepped into question Mrs C about the payments she was making. And if it had questioned Mrs C, would it have been able to prevent the scam taking place.

Had Barclays stepped into question Mrs C about the payments it would likely have confirmed it was Mrs C making the payments and that she was buying shares in a business. This behaviour was not typical of a common scam at the time Mrs C made the payments.

At a push Barclays could have suggested Mrs C do more research before making the payments. But if Mrs C had looked up either of the names associated with the payments she made, she would not have found any negative information about them online, but would have found both names recorded as genuine businesses registered on companies house. I don't think any of this information would have put Mrs C off making the payments.

So, in any event, I don't think an intervention from Barclays would have highlighted a potential scam, or prevented Mrs C's loss, so again Barclays would not be responsible.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 28 March 2024.

Terry Woodham
Ombudsman