

The complaint

A limited company, C, complains that Barclays Bank UK Plc didn't do enough to prevent it losing money to a scam.

Mr A (a director) brings the complaint on C's behalf and has used a representative when doing so. But, for ease of reading, I'll mostly just refer to Mr A, where I mean either his company or the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In September 2022 Mr A wrote to Barclays to complain. He said C had been the victim of a scam and was seeking redress in relation to the following payments:

Date	Amount	Recipient
14 February 2019	£10	'H'
14 February 2019	£49,990	'H'
14 February 2019	£50,000	'H'
15 February 2019	£30,321	'H'

All the payments were sent from C's Barclays account to the account of a third party held with another bank. Mr A says he was introduced by a contact to Private Placement Trading (PPT). He says this is a type of investment where there is a high bar to entry but through which significant returns can be made. Mr A dealt with a Mr H who he believed would help facilitate this type of investment.

Prior to the payments listed above, there had been an earlier investment which didn't ultimately materialise. I understand C had previously sent around €350,000 on Mr H's instruction towards this investment and the vast majority of those funds were returned to C in January 2019.

Mr A says the payments listed above were all made to 'investments' through Mr H. But when no returns were received and Mr H later ceased contact, he concluded he'd been the victim of a scam.

Ultimately Barclays didn't provide any redress and the matter was considered by one of our Investigators. She didn't recommend that the complaint should be upheld. In summary she didn't think there were any failings by Barclays which caused the loss. Mr A didn't accept this outcome and asked for an Ombudsman to review the complaint.

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 outcome as our Investigator, and for largely the same reasons. I know this will be disappointing for Mr A, so I'll explain why.

Barclays should attempt to combat fraud, scams and the misappropriation of funds. And as a part of this I think they should fairly and reasonably be looking for out of character, unusual or suspicious payments which might mean there is an increased risk of financial harm to their customer.

What might be regular or commonplace on one account, could be extremely unusual for another. In the circumstances of this complaint, I don't think the payments listed above which Mr A has said were made as the result of a scam, would have stood out at the time as so unusual or suspicious such that I think Barclays ought to have done more than they did before processing them. This is in the context of the prior account usage which included payments leaving the account of £50,000 and over £260,000 in the preceding months. There were also multiple transfers of £250,000 earlier the same month. And against that backdrop, I don't think it was unreasonable for Barclays to have not intervened prior to processing the disputed payments.

That being said, the notes I've seen from Barclays indicate that they did question the £30,321 payment on 15 February 2019. Barclays haven't been able to provide a recording of that interaction. But even if Barclays ought to have done more than they did, I agree with our Investigator that more likely than not this wouldn't have made a difference.

I've considered what Mr A has said regarding this. Specifically, that any one of five people associated with C could have vetoed the payments. That the investment was 'secretive' and that he believes it would have required regulation and that the return was unrealistic. Mr A has suggested that Barclays ought to have refused the payment instructions. I'm not persuaded this is the case. Mr A's previous submissions included that the expected return (to C) was high, but this isn't proof in and of itself that this was a scam. I've also not seen evidence to support that the investment was presented as regulated when it wasn't – and it is of course possible to engage in an unregulated investment.

The circumstances Mr A has described around the alleged scam include that a lot of prior research had been done. Some of the introductions to the investment involved personal connections that had been in place for many years. And importantly most of the money sent as part of a previous 'investment' which didn't ultimately materialise, was returned in January 2019. I think all these things would have given Mr A confidence to go ahead with the payments, despite warnings from Barclays.

Ultimately, for the reasons I've set out above, I'm not persuaded that any reasonable level of intervention that could have been expected of Barclays, would have resulted in Mr A discovering the alleged scam at the time or that it would have prevented further payments being made. And for the same reasons I don't think this is a case where Barclays ought to have refused to follow the payment instructions provided to them.

I've also seen evidence from a linked complaint about the bank that received the funds and I'm satisfied that these had been paid away from the account which received them before Barclays were on notice of a potential problem with those payments. As such, I don't think anything Barclays did or didn't do with regard to recovery efforts impacted whether anything could be returned.

I'm sorry Mr A has lost money in this way, but as I don't think this is something Barclays are responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons 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 C to accept or reject my decision before 28 March 2024.

Richard Annandale
Ombudsman