

The complaint

Ms C complains Barclays Bank UK PLC, trading as Barclaycard, won't reimburse money she lost when she says she fell victim to a scam.

For ease I will refer to Barclays throughout.

What happened

Ms C had recently returned to the UK following the breakdown of a relationship. She is a single mother of two and had previously left the finances to her ex-partner. One day she came across an advert online to trade in Contracts for Difference (CFD's). She showed some interest and was contacted by a number of companies offering their services. Two companies persuaded her to invest, Maxigrid Limited and ProfitX Ltd.

Maxigrid

Ms C initially started small - £250 – and was then persuaded to invest a bit more, £2,500. Because of her son being ill, Ms C was unable to take calls from Maxigrid and as a result lost that investment; she said she hadn't been told she needed to make decisions and close trades. She made further transactions using both her current account and her credit card account. She was promised help with recovering her losses and so invested further and saw profits of 25% in gold. She also had successes with subsequent trades on other precious metals which built her confidence. She was told the risk disclaimer (for investing in CFDs) only applied to customers who traded without the involvement of professionals, which wasn't applicable for her. She was also told Maxigrid was registered with the Financial Conduct Authority (FCA), which she checked out for herself and was reassured to see this accreditation.

Ms C was told about senior advisers who dealt with VIP accounts – and the more she invested the greater the VIP treatment. She built a good rapport with a senior adviser who was going to teach her more about investing and trading. Ms C found him and his explanations highly compelling and decided to become a Diamond VIP member. And she was told with the Diamond level account she would only be risking 10% of her investment. From January 2020 she made no more profits and as coronavirus was beginning to take hold, she was told this was affecting financial markets. On 9 February 2020 she asked to withdraw £135,000 but was persuaded against this as it would jeopardise trading plans. She was later told there had been a financial crash and her account was in a 'dangerous' position with a low margin level in an extremely volatile market. She was told she'd need to place more funds into the account in order to recover her losses, she was persuaded to do this, and invested her remaining savings with them. In March 2020 the account had a negative balance, and she was persuaded to invest further to help recover losses, which she did using credit cards. Although the account did recover to a positive balance no further credits were applied to the account.

It was after this that Ms C spoke with a friend whose partner is a lawyer. As a result she sent a letter of demand to Maxigrid on 4 May 2020. Maxigrid didn't uphold her complaint. In total,

Ms C sent payments of £61,000 to Maxigrid between November 2019 and March 2020 from her Barclaycard account.

Profitix

Ms C was introduced to a financial adviser who was friendly and said he was from the same part of the country that she lives in, and so she felt a sense of connection. She was shown how to download a trading platform to her phone. She was also shown how to open and close trades and was encouraged to make initial deposits of up to £10,000. These were initially made by credit card and then also from her current account. There were a number of different ways of making deposits, mainly through crypto-exchanges and she was helped to do so by the finance department. She was later contacted by a different adviser as she had deposited enough to qualify for a VIP account, although she wanted to continue dealing with her original adviser, she was eventually told he had left the company.

Her new adviser persuaded her to fund deposits by obtaining credit, as she was told she could make a higher profit than it would cost her. She found this appealing as she was struggling to pay debts and she wanted to recover losses incurred through Maxigrid. And Ms C was eventually persuaded to borrow more, by borrowing against her home. She says she entered into a credit agreement with Profitix that it would temporarily provide her with \$230,000 to trade with, whilst she arranged the re-mortgage on her home. But she was unable to do this due to the amount of debt she had built up. Ms C says she requested to withdraw from the credit agreement, but communications then turned nasty.

Ms C says she was told she had two different contracts with Profitix which meant she had to trade to a certain volume for a minimum of 6 months (until August 2020) and this was the reason she was unable to make any withdrawals. And when she asked to make a full withdrawal, she was told she could but would only get back about \$20,000 because of the costs associated with closing an account. Ms C's account was then frozen. She threatened legal action, as she had initially taken against Maxigrid, and was met with a counter legal threat from Profitix. But she was also told Profitix would look for a solution and if she deposited a further £50,000, she would continue to benefit from the VIP service. She felt it would be better to work with Profitix to try and save the amount she had already invested.

Over June 2020, Ms C struggled to get another £50,000 together and continued trading on the advice she received; she was opening and closing lots of trades. But about 10 days later, the free margin in her account dropped dramatically and she was told there was no money to withdraw. She was encouraged to put more money in the account, but she couldn't do so as she had been put in an impossible situation and had no further funds or credit to put into the account. Between January 2020 and May 2020, Ms C sent payments totalling £50,354.72 in relation to Profitix from her Barclaycard account.

what happened next

On 4 May 2020 Ms C sent a request to Barclays to raise a chargeback for the payments made to Maxigrid, totalling £355,999. Ms C was told £75,300 of transactions fell outside of Visa's time limits but a chargeback was raised for the remaining £275,999. A temporary credit for this amount was placed in Ms C's current account on 8 June 2020, although Ms C says she wasn't told this was temporary at the time.

Following this, Ms C complained to Barclays that it breached its duty of care in relation to the transactions made to Maxigrid. Ms C was sent an email on 21 August 2020 which told her she'd been held liable for the transactions and on 2 September 2020, Barclays re-debited £275,999 from her current account as the chargeback had failed.

On 19 July 2020, Ms C raised a chargeback request through Barclays for the payments in relation to Profitix. And on 31 July 2020 she complained that Barclays had breached its duty of care in relation to the transactions for Profitix.

Maxigrid defended the chargeback raised against it, providing evidence that Ms C had traded with it, and had made successful withdrawals. Getbitcoin – the cryptoexchange that some of the payments to Profitix were sent via - also defended the chargeback, showing it had provided the service requested, the changing of GBP into cryptocurrency. Although Barclays didn't agree it had done anything wrong in relation to the payments, it did agree it didn't update Ms C on the progress of her claims and paid £100 compensation. When sending its file to us, it explained that some of the chargebacks had been successful – all credit card transactions apart from those to Maxigrid and Getbitcoin – amounting to £34,717.09, which have since been reccredited to Ms C's credit card account.

Our investigator didn't uphold Ms C's complaint. She was satisfied Maxigrid was a legitimate trading company regulated in another jurisdiction. She was therefore satisfied Barclays wasn't acting unfairly when not intervening in the payments made to it. However, she did agree Profitix was a likely scam, but Ms C had made payments to it despite seeing an FCA warning about it before hand. And she noted that the payments made in relation to this trader weren't unusual given the higher payments to Maxigrid had normalised the pattern of payments and transactions. She also explained why Barclays hadn't acted unfairly in relation to the chargeback.

Ms C strongly disagrees with the outcome reached and asked for the matter to be referred to an ombudsman. She has made very substantial submissions in response, which I summarise as:

- Ms C disagrees Maxigrid isn't a scam. It led her to believe it was regulated by the FCA when it actually wasn't; it was regulated in another jurisdiction. Therefore Maxigrid lied to her. She didn't know the distinction between passporting and proper FCA registration although believes Barclays ought to have done, yet it did nothing. If Barclays had told her they were only passported and not fully regulated that would have helped.
- Barclays ought to have questioned the pattern of payments given her account history and blocked transactions if they couldn't contact her. Ms C considers this would have made all the difference. She also argues that too much weight has been placed on the authority of the FCA and we should disregard its position and listen to her instead.
- Another scam has been attempted by someone purporting to be her new bank. Her new bank blocked the account and as a result of discussions Ms C became live to another scam. The intervention of the bank made all the difference and she believes it would have done had Barclays intervened as well.
- Ms C disagrees that she was looking to invest, or that she was a risk taker with her investments.
- She was vulnerable at the time of making the transactions, having just returned to the UK following the break-up of a long-term relationship. Ms C also has two children to care for, one of which has significant issues with his health and school. And Ms C also has a history of mental and physical issues, which were compounded by the pandemic. The financial loss has had a devastating impact.
- The FCA disregarded its supervisory principles throughout the time Maxigrid was passported into the UK and so it didn't know whether it was fraudulent or not. A complaint has been made to the FCA about this, which Ms C wants us to await the outcome of before proceeding with any final decision. There is no credible evidence to support the investigator's view Maxigrid was legitimate. The company managed to deceive not only her but also Barclays and the FCA.

- Ms C is satisfied that Maxigrid did dishonestly make a false representation and failed to disclose information with the intention of making a gain or of causing loss to another – in accordance with the Fraud Act 2006.
- Ms C considers it outrageous her complaint in relation to Profitix hasn't been upheld.
- Under the BSI code firms should take action to intervene upon identifying at least three out of eight signs of possible fraud. And in accordance with UK Finance's toolkit, customers should be discreetly questioned, consider any responses and, if necessary, call the police so the police can attend the branch and speak with the customer.
- Barclays could have provided her with a fraud warning without it constituting investment advice.
- That Ms C was able to withdraw £18,000 at the end of her contract with Maxigrid was the reason for the chargeback failing but it should be noted this amount was allowed to be withdrawn as Maxigrid knew how to prepare themselves to refute a chargeback claim.
- Barclays acknowledges that it didn't tell her of the temporary nature of the chargeback as it was very distressing to have £278,000 re-debit her account.
- Ms C references the CRM code and the basis on which refunds should be made to customers.
- Ms C has employed the services of a specialist trader to look at Maxigrid's trading on her account. Amongst other's they found there was no evidence the trades were executed by someone properly trained; the trading pattern was commission driven and unprofessional; the use of exceptionally high-volume trades was completely reckless, and the required margin was an incomprehensible risk of total assets.
- Profitix and Maxigrid operated in similar ways. As the investigator recognised Profitix was a scam that adds to the likelihood that Maxigrid was also fraudulent. The only difference was that Maxigrid managed to deceive regulatory bodies, emphasising their skill and mastery of deceit.
- Maxigrid has its license suspended in October 2021 by CySEC, and its owner/director has been arrested for multi-country fraud. And on 24 February 2022, CySEC withdrew its authorisation of Maxigrid entirely.
- Ms C wants the ombudsman to require the FCA to provide evidence of all of Maxigrid's operation in the UK. She also wants the ombudsman to ask Barclays to provide evidence to show the implementation of regulations and guidelines that aim to prevent fraud from happening.
- Ms C considers a simple check on Barclays's database would have identified Maxigrid as a company of concern. And there should have been advice that because Maxigrid wasn't in the UK there might not be any right to pursue compensation, that kind of warning at the very least could have alarmed her about the risk she was about to undertake.
- The chargeback wasn't processed fairly and not taken as far as it should have been. Ms C considers Barclays could have used chargeback reason codes 13.3 and 13.5, but Barclays didn't consider reason code 13.3.
- Barclays was fined £26million in December 2020 by the regulator.

Preliminary matters

Ms C has made substantial submissions. Part of those submissions relate to the investigator's handling of Ms C's complaints. In this complaint, one of four which I am deciding for Ms C in relation to this matter, I am determining a complaint against Barclays. It isn't my role to comment on the service provided by the investigator, of which Ms C has also complained. It is only my role to decide whether Barclays did anything wrong, and if I find it did, whether it needs to compensate Ms C for any financial loss or distress and/or inconvenience as a result of that.

For that reason, I will also not be making any comment on what role, if any, the FCA had to play in this. Ms C asked me to await the outcome of a complaint she has made against the FCA about its supervision of Maxigrid. But I'm satisfied that's not necessary. A bank is not required to second-guess a business' regulatory status, nor is it required to consider whether a regulator is carrying out its obligations effectively or whether it has been deceived into believing a business is legitimate. So even if the FCA agreed with Ms C's complaint, which is far from certain, that wouldn't have any bearing on my consideration of whether Barclays did anything wrong.

Ms C has also cited the CRM code and UK Finance's banking protocol. I'm afraid neither of those provisions are applicable to Ms C's complaint. The CRM code only covers push payments made to another person, to an account held in the UK. Ms C's payments were made by debit card – these are pull payments, not push payments. A pull payment is one where the merchant requests the payment from the bank, whereas a push payment is where the payment is *sent* from the bank to the merchant. When Ms C's card details were entered on the merchant's website to make a payment, they then requested the money from her account – pulling the payment to it. Therefore the CRM code isn't applicable to Ms C's complaint.

The UK Finance's banking protocol only applies to transactions made in branch. None of the payments in dispute here were made in branch, so those provisions also aren't relevant to my consideration.

Ms C has asked me to obtain evidence from the FCA in relation to all of Maxigrid's operations in the UK. That's not part of my role nor is it relevant to my consideration of her complaint against Barclays. She'll need to contact the FCA for that information. And whether or not a bank has implemented fraud prevention measures as it ought to have done, is not within my remit. I can only consider individual complaints; the Financial Ombudsman Service isn't responsible for ensuring authorised businesses implement regulations, that's a matter for the Financial Conduct Authority.

Finally, Ms C has mentioned Barclay's being fined in December 2020. But it's my understanding that fine related to how it dealt with customers in financial difficulties *not* its intervention, or lack thereof, into transactions that indicated its customers were at risk of financial harm from fraud. So I'm not persuaded this is evidence of wrongdoing in relation to Ms C's complaint or that its relevant.

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.

Firstly, I would like to acknowledge the lengths Ms C has gone to, to support her case. I understand her losses have had a severe impact, not only on her finances for herself and her children, but also mentally and emotionally. I have a great deal of sympathy for the situation in which she finds herself, but that of itself isn't enough for me to uphold her complaint. I can only do so, if I find Barclays did something wrong, or it failed to do something it ought to have done, and that her losses flowed from that.

The first question I need to consider in any complaint where someone alleges they have been involved in an investment scam is to determine, so far as is reasonably possible, whether they have in fact been scammed, rather than simply losing money to a high-risk investment. And we need to make a decision about that because a bank, or other payment services provider, *doesn't* have any duty to intervene in payments that are being made to a to a legitimate investment or to protect customers from losses that flow from those

investments. They only have a duty to protect customers from the risk of financial loss due to fraud – put simply, if there is no fraud or scam, there is no duty or obligation.

Ms C invested via two different companies and so I will deal with each in turn.

Maxigrid

Ms C has strongly argued that she has been scammed. She has provided a lot of information about how she built rapport with the traders, was persuaded to invest more and more and about the losses she incurred. She also says she has had the trades reviewed by a specialist trader and set out the concerns the specialist trader had with the investment strategy, in support of her view.

I have considered this information carefully, but I'm satisfied Maxigrid wasn't a scammer and some of the information Ms C has provided actually supports that.

Ms C made payments to Maxigrid between November 2020 and March 2021 from her credit card. It is a CFD provider. CFDs are notorious for being a high-risk investment area, where many investors lose most, and oft times, all of their investment. That Ms C has incurred substantial losses isn't evidence, of itself, that she has been scammed.

Maxigrid had been regulated by CySEC since June 2012. That meant it was regulated and authorised for the provision of financial services business. As Cyprus is a member of the European Union, like we were, it is part of the EU single market and was able to provide goods or services to other member states, including financial services. The FCA's financial services register would have shown that Maxigrid was regulated in another European Economic Area (EEA) country and that it could offer certain products or services within the UK.

Typically, a trading scammer will set up what looks like an investment trading business, whether that's into CFD's, cryptocurrency, or other types of commodity trading. A scammer will also provide a trading platform, which may or may not show investments/trades doing well or not, given the story being told by the scammer at the time. Rarely, and importantly, is the business real, or the trading platform genuine. The platform might show trades being carried out but in reality, a customer's money hasn't been traded at all, it has been stolen by the scammer. A scammer is highly unlikely to submit itself to regulatory oversight in any jurisdiction, given the real risk of their true purpose being discovered.

Ms C hasn't provided any persuasive evidence that Maxigrid stole her money, rather than lost it as a result of the trades placed. I note the specialist trader listed a number of issues they had with the trades carried out, such as the training and qualifications of staff to there being an incomprehensible risk of total assets. Importantly at no point does Ms C's specialist indicate that her money *wasn't* actually traded and that it was stolen instead; rather it points to trades being carried out and, albeit for various reasons, they were poorly executed. Whilst this might be evidence of poor business practices, I'm not persuaded it is persuasive evidence of a scam.

Ms C has argued that too much weight has been placed on Maxigrid being regulated. She argues we ought to disregard the FCA's authority and listen to her instead. I understand why she has made the argument she has, given her losses, but I find her request unreasonable; I cannot agree it would be fair or reasonable for me to ignore or disregard the authority of the regulator. Ms C is asking me to put aside the fact that Maxigrid had been regulated and authorised for financial services business for seven-eight years prior to her investing with it. Her suggestion implies that we should take her word, over an institution that has been put in

place by a member state for the express purpose of supervising its investment services market.

I have taken account of CySEC's recent actions in relation to Maxigrid, specifically that it had its license to operate suspended and then withdrawn entirely. But I haven't seen any evidence that CySEC took those steps because Maxigrid was a scam or had stolen customers money; rather the action was taken for other reasons. I'm therefore not persuaded this information supports Ms C's argument.

I have considered all of Ms C's points about this carefully even if I've not mentioned them. I find she hasn't provided any persuasive or credible evidence that Maxigrid was a scammer. Overall, I'm satisfied for the reasons given that it was a legitimate business offering what was a very high-risk investment opportunity. I understand Ms C has lost a substantial sum of money and that she is in very severe financial difficulties as a result. But as she was investing with a genuine CFD trader, I find no basis on which to find Barclays ought to have intervened in the payments made. I would, however, take this opportunity to remind Barclays of its obligations to treat those in financial difficulties with forbearance and due consideration. It follows that I don't uphold this part of her complaint.

ProfitiX

There doesn't appear to be any dispute that ProfitiX isn't a legitimate trading business. But for the sake of completeness, I have nevertheless considered this.

As the investigator pointed out, in 2018 binary option, forex and CFD traders operating in the UK were required to be regulated by the Financial Conduct Authority (FCA). ProfitiX were not, even though it ought to have been. In February 2020, the FCA had published an alert about ProfitiX stating it was operating in the UK without being authorised. There were also several reports in the public domain that it had scammed people out of their money.

I have also come across ProfitiX in other cases where complainants have alleged a scam. And I'm aware from those cases that ProfitiX's documentation indicated it was regulated in another jurisdiction; but research had shown it actually wasn't. I'm satisfied this leads me to conclude ProfitiX was more likely than not to be a scam.

Should Barclays have intervened in Ms C's payments to ProfitiX

Under the Payment Services Regulations, a bank or payment services provider must execute properly authorised transactions without undue delay. There isn't any disagreement that Ms C carried out and authorised all of the transactions in dispute using her card and security credentials. I do understand that her authorisation was given in the context of her 'investing' but it nevertheless remains the payments were authorised in accordance with the applicable legislation. And the investigator was right when she explained that under the regulations and in accordance with banks' terms and conditions, Ms C is initially presumed liable for the loss.

However, as Ms C is well aware, there is a duty on banks to protect customers against the risk of financial loss due to fraud or to undertake due diligence on large transactions to guard against money laundering. This was explained by our investigator and I think Ms C has come across this in other decisions on our website, as she has quoted extracts.

And our approach of expecting banks to have been monitoring accounts to counter various risks; have systems in place to identify unusual transactions or other indicators that its customers are at risk of fraud, and in some situations, make additional checks before

processing payments or declining them altogether, takes account of the provisions of the BSI PAS 17271:2017 and the good industry practice that was based upon.

Only one of Ms C's payments to Profitix were made directly to it, the others were all made through cryptocurrency exchanges and some vouchers. That's important as Barclays wouldn't have known, simply from executing the card payments, that that was where the majority of the transactions would ultimately end up.

Ms C has referred to the BSI PAS provisions and highlighted the below as relevant to her spending to show the transactions ought to have flagged as suspicious:

- Sudden increase in spending
- Transfers to other accounts
- Sudden changes to the operation of the account; a withdrawal or payment for a large amount
- A payment or series of payments to a new payee
- Financial activity that matches a known method of fraud.

Ms C sent her first payment directly to Profitix for £2,139.96. And although Ms C made several more transactions for similar amounts on the same day to another merchant – in relation to the same scam - she had already sent over £15,000 to Maxigrid over four transactions in the preceding weeks. And some of those transactions were for higher amounts. In the context of the operation of her credit card account, sending just over £2,000 was neither unusually large, nor was it a sudden change to its operation. I fully accept the payment was to a new payee and that sending money to a crypto exchange could match a known method of fraud. But I do need to balance that with the fact that new payees are set up by bank customers thousands of times a day. And buying cryptocurrency whilst being a known method of fraud, is also a legitimate trading/investment proposition. I'm therefore not persuaded Barclays ought to have intervened at this point.

I have considered the remaining transactions that Mrs C sent to Profitix via the crypto exchanges. And I can see that she uses several different exchanges between January 2020 and May 2020 to make these payments. But the majority of these payments are for less than £5,000 (although I accept there are sometimes multiple transactions in one day). And throughout February and March these are interspersed with Ms C's, often larger payments, to Maxigrid.

Overall, I'm not persuaded the payments were so unusual or so uncharacteristic, given her investment into Maxigrid, that Barclays ought to have intervened.

But even if I'm wrong about that, I don't believe an intervention would have stopped Ms C from making payments. If we think a bank ought to have intervened, we'd expect it to ask reasonably probing questions to understand what is happening. And if it believes its customer is at risk of financial loss due to fraud, we expect it to provide education around what a customer can do to protect themselves or provide a fraud warning. The main education/warning suggestions we would expect the bank to give is to ensure a customer is dealing with a legitimate business and so would recommend they carry out research to establish that - it might recommend checking the FCA register or going through a financial adviser. A bank *is not* required to carry out those steps for its customer.

On 20 February 2020, the FCA had published a warning about Profitix on its website. The warning said:

We believe this firm may be providing financial services or products within the

UK without our authorisation. Find out why you should be wary of dealing with this unauthorised firm and how to protect yourself.

Almost all firms and individuals offering, promoting or selling financial services or products in the UK have to be authorised or registered by us.

This firm is not authorised by us and is targeting people in the UK. You will not have access to the Financial Ombudsman Service or be protected by the Financial Services Compensation Scheme (FSCS), so you are unlikely to get your money back if things go wrong.

Ms C has told us she carried out her research and checked if Profitix was regulated, as she did for Maxigrid. She explained she came across the cautionary note for Profitix and raised this with the first representative she had with it. She says:

“he acknowledged this and told me that Profitix does not possess a license with the FCA nor did they claim to have one. He continued to relay to me that the FCA were corrupt and biased against small businesses like Profitix because they are not able to pay money to the FCA”.

Ms C says she found him very persuasive. But it seems to me that Ms C chose to place her trust in someone she barely knew rather than rely on a warning provided by the very institution the UK government put in place to oversee financial services regulation and provide consumer protection. I'm aware that Ms C had already made some payments from her credit card account to Profitix before the warning was released. But it's hard to see how a recommendation from Barclays to check whether the business was authorised would have made any difference, given Ms C chose to disregard the warning when she did see it a few weeks later and continued to invest despite knowing it wasn't regulated.

This also means that I don't find Ms C's argument that she would have been alarmed about the risk she was about to undertake, had she been told she wouldn't have recourse to compensation as the business was based outside the UK, persuasive. The FCA provided her with that very information about Profitix and yet she chose to continue investing. I'm not persuaded Barclays providing the same information would have elicited a different response.

I'm also aware that Ms C had the availability of a financial adviser as she had existing investments held with a UK provider (I'm considering a separate complaint about them). Yet she didn't discuss this investment opportunity with Profitix (or Maxigrid) with them at all. And in a separate complaint against another party, Ms C explained “I did not know, and through the exercise of due diligence could not have discovered, the fraud that was being perpetrated upon myself by the Company” [Profitix].

Barclays would only have been required to advise Ms C on the steps she could have taken to ensure she was dealing with a legitimate company – that is, advise on due diligence. Given Ms C's own comments that she couldn't have discovered the fraud, even if I agreed that Barclays ought to have intervened – which I make clear here I don't – I don't think that would have made a difference for the reasons given.

The chargeback

Ms C asked Barclays to chargeback the payments to Maxigrid and Profitix.

A chargeback is a voluntary scheme run by card scheme providers – in this case, Visa. It arbitrates on disputes between a customer and a merchant where they haven't been able to resolve matters themselves. The arbitration process is subject to the rules of the

scheme – which are set by Visa – and there are only limited grounds on which a chargeback can be raised. Chargebacks raised outside of these grounds are deemed invalid.

Reason code 13.3 would have required Ms C to provide written documentation to confirm that a specific amount of profit would be made by Maxigrid or Profitix and if this did not happen, then this would be considered as 'not as described' and the card issuer could use 13.3. However for this to be valid, an actual profit amount had to be described in the written documentation, not just a reference to a profit. So Barclays couldn't have used that reason code to chargeback any transactions as Ms C didn't present such evidence.

The reason code that has a provision specifically for investment trading disputes is 13.5. And that reason code only allowed for:

Investment products or services (for example: binary options or foreign exchange trading), where the Merchant refuses to allow the Cardholder to withdraw available balances

Ms C couldn't have raised a chargeback for all of the transactions she had made – she was only entitled to chargeback for the withdrawal of an available balance the merchant had refused. But Ms C's reason for requesting a chargeback was because she had been scammed, not because Maxigrid or Profitix hadn't allowed her to withdraw an available balance.

Nevertheless Barclays did raise a chargeback for the majority of the Maxigrid transactions (less some that fell outside of Visa's time limits). And that was defended because evidence hadn't been provided of an available balance to withdraw. It seems to me that Ms C wouldn't have been able to provide the evidence needed. That's because Maxigrid allowed her to withdraw the final balance on the account on 12 May 2020 – being £18,442.49 and had allowed previous withdrawals on the account. So a chargeback on the basis of the merchant refusing a withdrawal was bound to fail.

Ms C has referred to her request to withdraw around £135,000 in February 2020 but she was persuaded not to, as it would affect the trading strategy, as evidence that a chargeback should have been raised. But as found above, one was in fact raised. That she decided not to continue with a withdrawal request because she had been persuaded out of it, wouldn't be a valid chargeback ground nor mean that Barclays ought to have pursued the chargeback further once it had been defended.

I'm also mindful that Ms C also used some of the funds to send further payments to Profitix. But this was at a time when she already thought it was scamming her because of her experience with Maxigrid. And things had turned nasty with both parties threatening legal action against each other. Although Ms C says she had been told she was tied into a contract with Profitix, I've haven't seen any evidence that she asked to see those contracts to check whether that was true. And even if she had, given she had already spoken with a lawyer about Maxigrid and raised a chargeback through her bank, I'm surprised she didn't let either of those parties know of her concerns or what was happening. Had she done so and acted on her concerns as I think she ought to have done, further losses could have been prevented.

Ms C also raised a chargeback for the payments in relation to Profitix. However, nearly all of those payments were made to crypto exchanges. The service they provided was to change Ms C's payments into crypto currency. As that service was provided, any chargeback raised in relation to those was also likely to fail. Nevertheless, I'm aware that Barclays did raise a chargeback in relation to the credit card transactions. And as some

of those transactions weren't defended by the merchant (all of those aside from Maxigrid and Getbitcoin) Ms C has received a refund. I don't find that Barclays did anything wrong by not pursuing those chargeback claims further that were defended.

For the reasons given, I'm not persuaded Barclays needs to take any further action in relation to the chargebacks.

Overall, I'm not persuaded Barclays has done anything wrong such that I would make an award against it. I know this will be an extremely difficult decision for Ms C to receive. I would urge her to get the help and support she needs to go forward and I know she is already aware of various organisations that can provide this.

Finally, I note that Ms C did try to complain to CySEC about Maxigrid. I understand the complaint didn't proceed as Ms C started legal proceedings. But I understand those legal proceedings didn't actually take place. I don't know if that means Ms C can resurrect her complaint, but she could contact CySEC to find out what her options are.
Your text here

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 14 April 2022.

Claire Hopkins
Ombudsman