

The complaint

Mr P complains that Barclays Bank UK PLC (“Barclays”) wrongfully prevented a payment he instructed for an investment through a third-party company.

What happened

Mr P holds a bank account with Barclays. He also holds an account with a third-party company which buys, trades and hold cryptocurrencies.

In or around August 2021, Mr P instructed Barclays to make a payment from his account with them to his account with the third-party company. But he says Barclays prevented him from doing so without providing a valid reason.

On 11 August 2021, Mr P contacted Barclays using their online chat system. He wanted to complain about their decision to prevent his payment. Mr P says that Barclays told him the decision to block the payment was made to protect his money. Barclays didn’t agree they’d made a mistake or done anything wrong. So, they didn’t progress Mr P’s complaint any further and sent him a summary resolution letter to confirm this.

Mr P wasn’t happy with Barclays’ response, so decided to refer his complaint to this service. He told us that the payment related to an investment. He said that had Barclays allowed him to make payments to the third-party company, he *“would have made gains of 50% so far”*. He thought Barclays actions were inappropriate.

Having considered Mr P’s complaint together with all the information provided, our investigator didn’t agree that Barclays had acted unfairly or unreasonably. Our investigator thought Barclays’ account terms and conditions allowed them to prevent any transaction where they considered it might expose Mr P to a fraud or scam or any other criminal related activity. They believed they were protecting his funds.

Our investigator went on to explain that the Financial Conduct Authority (“FCA”) had published a warning in June 2021 in relation to the third-party company receiving the funds. The warning said that this company was offering UK customers products and services for which it doesn’t hold UK registration or authorisation. Our investigator also said the company was reported as being subject to investigation for other illegal and fraudulent activities.

Mr P didn’t agree with our investigator’s view on the circumstances. He said he was experienced in these types of investments and that the company hadn’t been found guilty of any crime. He didn’t agree Barclays should’ve been able to prevent a payment that he’d authorised. He thought Barclays had acted negligently and inappropriately and that their terms and conditions didn’t permit them to retain his funds.

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 have reviewed Barclays’ account terms and conditions. In particular, they include:

“We’ll do all we can to carry out your instructions. However, we don’t have to follow an instruction for any of these reasons...”

- *It would mean we might break a law, regulation, code or other duty that applies to us.*
- *It could expose us to claims from third parties.*
- *We reasonably believe it might expose us (or another Barclays company) to legal action or censure from any government, regulator or law enforcement agency.*
- *We reasonably think that a payment into or out of an account is connected to a fraud, scam or any other criminal activity. This includes where we reasonably think the funds are being obtained through deception”.*

They also say, “We may make changes to your agreement with us for any of these reasons...A change in the law, a regulation, an industry code we follow, or a decision of the court, a regulator or the Financial Ombudsman means that we need to make changes”.

Barclays say they took the decision to decline and stop payments to the third-party company by credit/debit card. They also explained that some ‘Faster Payments’ have also been affected but this was not due to action taken by them. They said these changes were brought about as a result of a warning issued by the FCA. Having followed FCA guidance, Barclays don’t believe they’d acted unfairly or unreasonably here.

Barclays have a duty to protect their customers and their money from fraudulent and criminal activity. Stopping payments to the third-party company was a commercial decision made by Barclays following an FCA announcement. I can see from the announcement the FCA published, it’s alongside information about investing in cryptocurrency more generally and the risks associated with it.

While I appreciate and understand Mr P’s frustrations, I’ve considered what Barclays have said alongside the FCA’s guidance. While I appreciate Mr P will be disappointed, I don’t believe Barclays’ actions were inappropriate here, and I’m satisfied they acted in the best interests of Mr P, as a consumer. It’s up to Barclays to make a commercial decision about the risks they’re willing to take, and our service doesn’t have the powers to change that. So, I’m satisfied that Barclays have acted fairly and reasonably, in line with their terms and conditions.

My final decision

For the reasons set out above, I don’t uphold Mr P’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 4 August 2022.

Dave Morgan
Ombudsman