

## **The complaint**

Mr P complains that Barclays Bank UK PLC won't refund the money he lost to an investment scam.

## **What happened**

Mr P fell victim to a cryptocurrency scam which led him to making three payments totalling £5,131 using his Visa debit card – linked to his Barclays current account – on 27 January 2022. The payments were made to a legitimate crypto exchange I'll call 'M' before being moved to the wallet he held with the scammers and Mr P ultimately lost access to his money.

Mr P reported the scam to Barclays but it didn't receive enough information from him. It issued a final response requesting that Mr P contacts it with further information so that it could consider his chargeback options.

Mr P referred his complaint to this office.

One of our Investigators didn't think chargeback was an option for Mr P because he paid M who provided the service he asked it to provide. Our investigator felt the third payment of £3,000 in the sequence was sufficiently unusual for Barclays to have intervened and he thought a warning would have made a difference. He also suggested that Barclays pay interest of 8% simple per year. Our Investigator also felt Mr P should bear some responsibility for his loss and suggested Barclays reduce it by 20%. Mr P agreed but Barclays didn't. It provided further evidence to show that the third payment in the sequence was in fact £261, not £3,000. Our Investigator changed his opinion and suggested that Barclays should refund the final payment of £261 along with interest and a reduction for contributory negligence.

Barclays agreed but Mr P didn't, he felt Barclays should have done more to prevent the loss. He asked for an Ombudsman to consider the complaint. It has therefore been passed to me for determination.

## **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 agree with our Investigator's conclusions for largely the same reasons.

I am satisfied that Mr P authorised the payments in question here. This means that although Mr P was the victim of a scam, under the Payment Services Regulations and the terms and conditions of the account, Mr P is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Barclays should fairly and reasonably:

- Have been monitoring accounts – and any payments made or received – to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams;
- Have had systems in place to look out for unusual transactions or other signs that might indicate its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer; and
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I'm satisfied that there were triggers here. I don't think the overall amounts Mr P paid were all that unusual given that he'd previously made an undisputed payment of £4,610 within three months of the scam payments. This also doesn't appear to be Mr P's main bank account as he usually transfers money in before making payments out. So it wasn't unusual for Mr P to pay money into his account before making the disputed payments. But I agree with our Investigator that by the third payment on 27 January 2022, the normal operation of Mr P's account had changed enough for Barclays to have intervened and spoken with him. It was the third payment to M on the same day and this wasn't how Mr P usually managed his account. It is the pattern of payments, rather than the amounts involved that I consider to have been unusual for Mr P. If it had intervened, Barclays would have likely uncovered the scam and prevented the third payment from being sent – which in this case was the payment of £261.

I've not seen that Barclays contacted Mr P, so I think it was a missed opportunity to intervene and Barclays agrees it could have done more to prevent the scam.

Our Investigator suggested that Mr P should bear some responsibility for his loss as he didn't carry out any due diligence checks prior to investing with the scammer. I think this is fair in the circumstances and I think a 20% reduction is fair.

Mr P doesn't seem to dispute that chargeback wasn't an option for him but for completeness, M provided the service Mr P requested it to provide – which was to convert his £sterling to crypto and send it to the wallet of his choice. Mr P's dispute is with the scammer but he didn't pay them directly, so any attempt at chargeback would have likely failed. I've not seen that Mr P got back in touch with Barclays with the additional information it needed so that it could consider chargeback claims further but even if he had, I don't think this would have made a difference for the reasons I've explained.

I appreciate how disappointing this will be for Mr P and he will understandably feel aggrieved about his loss. But for the reasons set out above, I don't consider it fair to hold Barclays liable for all of it.

### **My final decision**

My final decision is I uphold this complaint in part and Barclays should refund Mr P the third payment of £261. It should also pay 8% interest on this amount from the date it was paid to the date of settlement.

Barclays should also reduce the overall settlement by 20% for contributory negligence.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 October 2022.

Dolores Njemanze  
**Ombudsman**