

## **The complaint**

Mr B complained that Barclays Bank UK PLC (“Barclays”) have failed to refund money that he lost as part of a scam.

## **What happened**

The circumstances of the matter are well known to both parties so I will not go into too much detail as to what happened - especially in the interests of keeping Mr B anonymous.

But in summary; Mr B was persuaded to send funds to someone that I will call C, as C threatened to release sensitive information about Mr B.

Mr B made over 100 transactions via debit card and Bank transfer totalling over £150,000 between June 2022 and January 2023 to a number of crypto exchanges. In January 2023, Mr B raised a complaint as he believed that Barclays should have stopped him from making the payments in question.

One of our investigators looked into this matter and they decided that any intervention by Barclays would likely not have stopped the scam.

Mr B did not agree with this and therefore his complaint was passed to me to issue a final decision. For the sake of clarity, this complaint only relates to the payments made up to 7 January 2023. It is my understanding that Mr B has raised a separate complaint about the payments made after this point.

## **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 the conclusions reached by the investigator for the following reasons.

It isn’t in dispute that Mr B authorised the disputed payments he made (where his funds were subsequently transferred on to the scammer from his crypto wallets). The payments were requested by him using his legitimate security credentials provided by Barclays. The starting position is that Barclays ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

However, I’ve considered whether Barclays should have done more to prevent Mr B from falling victim to the scam, as there are some situations in which a Barclays should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance, the size of the payments were not particularly out of character for Mr B. That said, the high frequency of payments made in a day were unusual and had the hallmarks of a scam, or at least suspicious behaviour. So I am satisfied that Barclays should have intervened and questioned the nature of the payments with Mr B.

So given this, I then need to decide if this would have stopped the scam. I say this as it's only fair for Barclays to cover the loss incurred if it can reasonably be concluded that such an intervention would have resulted in Mr B stopping making further payments. This can be referred to as 'causation'. Regardless of whether Barclays should have enquired about the payments, the outcome of Mr B receiving recompense from Barclays can only be safely reached if causation is satisfied. As such, the key question in this case is whether Barclays intervening would have prevented Mr B from making the payments.

I'm required to make this decision based on the balance of probabilities; that is, what I find more likely than not to have happened, based on everything that is available. I've carefully considered all of the available evidence, paying particular attention to what we know about Mr B's state of affairs when making the payments, together with the behaviour he demonstrated both before and after these transactions left his Barclays account.

In this instance, I can see that there was a call between Mr B and Barclays in June 2022. From the notes of this call, it seems as if Mr B confirmed that he was sending funds directly to his crypto account. He confirmed he was not acting on behalf of a third-party and was not intending to send the funds from his crypto wallet to a third-party wallet. He also confirmed that he had completed checks on the person he was paying and that if the payment turned out to be a scam, he acknowledged there was no guarantee that the funds could be refunded. These answers satisfied Barclays that there was nothing untoward going on and I can see that Mr B was provided with a general scam warning.

Based on this, I am satisfied that had Barclays intervened further I don't think it likely that Mr B would've explained his situation to Barclays. I also don't think it's likely, given the desperate situation Mr B unfortunately found himself in, that any general warning given to Mr B would have altered his decision to make the payments in question.

I also can see that after raising a complaint with Barclays about the payments not being stopped, he carried on sending money to C. This suggests that it seems highly unlikely that any intervention from Barclays would have stopped Mr B from carrying out the transactions in question – albeit for understandable reasons.

I would also add that even had Barclays blocked Mr B's account, due to Mr B's strong desire to not have his sensitive information disclosed, I think it likely that he would have sent the payments from other means - such as by sending funds to a different provider or by opening a new bank account. I say this because Mr B clearly wanted to pay C to avoid his sensitive information being released.

So overall I don't think that Barclays could've uncovered the scam prior to when Mr B reported it. I also don't think that any intervention or discussion between Mr B and Barclays would have stopped the scam.

I've also thought about whether Barclays did enough to attempt to recover the money Mr B lost.

In this instance the debit card payments could potentially have been recovered by a chargeback. But in this case, a chargeback would not have been successful, as the transactions Mr B used his debit card for was to pay crypto exchanges for the purchase of cryptocurrency, which he duly received. It was only when the cryptocurrency was transferred from his crypto wallets to the scammer did the loss then occur. So, he could not claim that he did not receive the goods or services paid for from his Barclays account, which was the purchase of the cryptocurrency. As a result, I don't think Barclays have acted unreasonably by failing to pursue a chargeback claim here.

In relation to the transfers, as the funds had already been moved from Mr B's crypto wallets, the only remaining option for Mr B to recover the funds in question is via the Contingent Reimbursement Model (CRM). But the CRM does not apply to transfers made to an account in the customer's own name. And in this instance, it appears that Mr B was transferring funds to accounts with crypto exchanges that were in his own name. So again, he wasn't eligible to be reimbursed under the CRM either.

I should add that, for the sake of completeness, even if the funds had been transferred to accounts in other people's names, the CRM does not cover payments made under duress. It only covers payments that are made under deception. Mr B clearly was aware that the payments he was making were not legitimate and clearly did so as he says he was being forced to do so and therefore the CRM does not apply.

I appreciate this will come as a disappointment to Mr B, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Barclays can fairly or reasonably be held liable for his loss in these circumstances.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 February 2024.

Charlie Newton  
**Ombudsman**