

The complaint

Miss A complains that Barclays Bank UK PLC ('Barclays') won't refund the money she lost when she fell victim to a scam.

What happened

Miss A says that a social media influencer she was following posted something about an AI trading platform, which I'll refer to as T in this decision. The influencer said that she made £1,000 on a £200 investment over three weeks and posted screenshots of the profits she was making. Miss A was interested in the opportunity and contacted the influencer, who showed Miss A how she had made money by clicking a button on an app five times a day.

The influencer added Miss A to a group chat and sent her a video showing her how to fund her account with F, which involved downloading a cryptocurrency app (although she says she didn't realise this is what it was at the time) and T's app. After completing some checks, Miss A made an initial card payment of £200 from her Barclays current account. She was later advised of a bonus and made additional payments using her Barclaycard. I have set these payments out in the table below. I can see on Miss A's statement that she was charged transaction fees, but these were refunded so I haven't included them.

Transaction	Date	Amount
1	20/11/23	£30
2	20/11/23	£213.39
3	21/11/23	£511.35
Total		£754.74

After she had made the payments some members of the group chat attempted to withdraw funds from the platform but hadn't been successful. Miss A tried to withdraw her funds but didn't receive anything and started to see comments on social media saying F was a scam. She reported what had happened to Barclays and was advised to raise a dispute with the merchant.

Barclays says that it attempted a chargeback in respect of the initial £200 payment, but the merchant disputed it, and that none of the transactions were triggered by its systems as suspicious. But Barclays refunded the disputed £200 transaction as a gesture of goodwill.

Miss A was unhappy with Barclays' response and brought a complaint to this service. She has explained that she has autism and suffers from anxiety and depression. Following the scam, she was signed off work. Miss A feels that Barclays don't have measures in place to protect vulnerable customers like her from scams and that other banks block payments for cryptocurrency.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. She said that none of the payments Miss A made were so unusual that Barclays ought to have

intervened when they were made. They were relatively low in value and were to a legitimate merchant. As the payments were made by debit and credit cards the investigator considered the chargeback process. But she noted that the merchant Miss A paid provided the expected service (the purchase of cryptocurrency) so a claim wouldn't be successful. Finally, the investigator said that Barclays wasn't aware of Miss A's vulnerabilities at the time the payments were made so wasn't in a position to provide additional support.

Miss A didn't agree with the investigator's findings and asked for a final decision. In summary, she said:

- Her circumstances are similar to those outlined in a case study on our website. In that case the customer was reimbursed.
- Given the amount of the payments, and that they were being used to buy cryptocurrency, Barclays should have been concerned. She had never bought cryptocurrency before and had only made low value credit card payments. Miss A says she should have been warned that she was buying cryptocurrency.
- She initially tried to use a credit card from another bank, but it was declined. She now knows this bank blocks payments to cryptocurrency providers and is disappointed Barclays didn't do the same thing.
- She hasn't been protected as a vulnerable customer.

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 recognise that Miss A is the victim of a scam and has suffered a loss which has caused impacted her finances and wellbeing. But that doesn't automatically mean that Barclays should reimburse her. I can only make an award if I consider that Barclays has done something wrong.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a bank such as Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable at the time the payments were made that Barclays should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment; and
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I don't consider Barclays acted unfairly or unreasonably in processing the card payments. I don't think there was enough going on that Barclays ought reasonably to have recognised that it was likely Miss A was the victim of a scam. I appreciate this will come as a real disappointment to Miss A, but I have to be fair to both parties.

I appreciate that the total amount of money Miss A lost in the scam is significant to her. But I'm not persuaded that any of the transactions she made were so unusual and out of character that Barclays ought reasonably to have recognised that Miss A was at heightened risk of harm and taken additional steps before processing them. The transactions were relatively low in value, broadly in line with usual account activity, and there were no other concerning factors.

There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. Whilst banks have obligations to act in their customers' best interests, they can't reasonably be involved in every transaction. To do so would involve significant disruption to legitimate payments.

Miss A has said other banks have different approaches to the purchase of cryptocurrency and that there should be a consistent approach. I accept this is the case and that some banks might block payments to certain merchants. But many cryptocurrency purchases aren't related to fraud so I can't fairly conclude that Barclays is responsible just because it allowed Miss A to buy cryptocurrency. And my role is to consider the individual circumstances of Miss A's complaint and whether Barclays has acted fairly and reasonably.

As Miss A made the payments via cards the Lending Standards Board's Contingent Reimbursement Model Code doesn't apply. The code only applies to certain faster payments.

There is some protection for card payments via the chargeback scheme. Chargeback is a process that allows debit and credit card holders to reverse a transaction when there's a problem with the goods or services they have purchased. It is organised and run through the overarching card scheme but customers wishing to use the service must go through their card issuer (Barclays in this case). The chargeback scheme is voluntary, and banks are not under any formal obligation to submit a chargeback claim. But this service's view is that it is good practice for a bank like Barclays to make a chargeback claim where the right exists, timescales are met and there is a reasonable prospect of success.

Barclays raised a chargeback in respect of Miss A's initial £200 payment using her debit card. The claim was disputed by the merchant, which provided evidence that the purchase of cryptocurrency was completed successfully and the cryptocurrency she bought was delivered to the cryptocurrency address Miss A provided. The merchant went on to explain that the issues Miss A experienced relates to the involvement of a third party (the scammer) after the merchant provided its service.

I'm satisfied that Barclays didn't have a valid chargeback right in respect of any of the card payments Miss A made. Barclays could only raise a dispute with the merchant of the cryptocurrency. There was no issue with the service provided by this merchant which provided cryptocurrency as expected. As a gesture of goodwill Barclays reimbursed the initial £200 transaction. Barclays had no liability to do so.

I appreciate that Miss A has vulnerabilities, details of which she has now shared with Barclays. But at the time the transactions I am considering here were made, Barclays didn't know of any additional support Miss A might need before processing a payment. And the chargeback scheme is run by the card scheme with strict rules. These rules can't be changed because a customer is vulnerable.

Overall, whilst I'm very sorry to hear about this cruel scam and the impact it has had on Miss A, I think Barclays has already done more than I would expect in making a goodwill payment of £200. So I can't fairly ask it to do anything more.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 10 March 2025.

Jay Hadfield
Ombudsman