

## The complaint

Mr S through a representative complains that Barclays Bank UK PLC (“Barclays”) won’t refund the money he lost as part of a scam.

## What happened

The background to this complaint is well known to both parties, so I’ll only refer to some key events here.

In 2021 Mr S was added to an “investing group” on a well know messaging service. This group purported to be for an AI trading firm that I will call B

B convinced Mr S that he should invest in his trading platform and explained how he could make money from crypto trading using its platform.

Mr S made the following transactions to various crypto exchanges;

Transaction Number	Date	Amount	Type of Payment
1	9 December 2021	£76.65	Card Payment
2	14 December 2021	£50	Transfer
3	14 December 2021	£766.4	Card Payment
4	24 December 2021	£1,535.57	Card Payment
5	30 December 2021	£100	Card Payment
6	31 December 2021	£1000	Card Payment
7	4 January 2022	£3,023.01	Card Payment
8	24 January 2022	£943.87	Card Payment
9	24 January 2022	£975.52	Card Payment
10	24 January 2022	£993.73	Card Payment
11	24 January 2022	£991.62	Card Payment
12	24 January 2022	£990.59	Card Payment
13	28 January 2022	£1,634.34	Card Payment
14	7 February 2022	£152.57	Card Payment

15	11 February 2022	£1,126.19	Card Payment
16	22 February 2022	£7,839.15	Card Payment
17	7 March 2022	£9,570.56	Card Payment
18	11 March 2022	£200	Card Payment
19	23 March 2022	£793.55	Card Payment
20	27 April 2022	£5,000	Card Payment

These payments were then converted from pounds into a crypto currency and the crypto currency was then sent to a fake trading platform that was controlled by B. When Mr S tried to withdraw some of his funds, he was unable to do so and he realised that he had been scammed.

Mr S made a complaint to Barclays and requested that the above transactions be refunded. Barclays in response to the complaint refunded 50% of the transactions from transaction 3 with 8% simple interest from the time of the transactions to the date of settlement.

One of our investigators looked into this matter and they concluded that what Barclays had already done was sufficient. But he did notice a discrepancy in the amount that Barclays paid, Barclay agreed to pay this difference.

Mr S's representative did not agree with this outcome. So, this complaint has been passed to me to issue a decision.

### **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.

In this instance both parties have agreed that Barclays should have intervened during the scam and that had an intervention occurred the scam would have been stopped. What is in dispute is whether what Barclays has already done to rectify this matter is fair and reasonable.

So, with this in mind I need to consider whether a refund from transaction three is appropriate, then whether the 50% deduction is appropriate and finally if Barclays could have recovered the funds via other means.

In relation to the refund being from transaction 3 onwards I think that this is appropriate. I say this because the first two transaction were not large enough or unusual enough to have prompted an intervention or questions from Barclays. So, I think that a refund from transaction 3 is appropriate and in line with what I would have recommended.

In relation to the 50% deduction, I've thought about whether Mr S's actions contributed to his losses. Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions.

In this instance, Mr S says he was added to a group chat for B. As far as I can tell, Mr S was not looking for investment advice at this point and within a relatively short amount of time, he was transferring large sums of money on their advice.

I can't see that Mr S did any substantial research or carried out any checks to determine that the scammers representations were true especially as I can't find anything substantial about B from the time of the scam. I also can see that Mr S says he was promised a 60% return per month which even to an inexperienced investor is too large a return to be real. He also mentioned that he had not made any withdrawals from B prior to investing a large amount with it.

I also note Mr S's representative comments in relation to the factors that it feels contributed to Mr S being susceptible to being scammed. I have carefully considered this, but overall Mr S seems to have placed a lot of trust in a very short period of time with someone, who approached him out of the blue and without substantially researching the company that he was dealing with and after being promised unrealistic returns.

So even taking into consideration the mitigating factors that Mr S's representative has mentioned, I think that he is partially responsible for his own loss, so I'm satisfied a 50% deduction is fair and reasonable in the circumstances of this complaint.

Finally, I have considered whether Barclays could have recovered the payments in question. In this instance as some payments were card payments it's possible the payments could be recovered by instigating a chargeback. However, in the circumstances of this complaint, I don't think a chargeback would have been successful as Mr S did receive the crypto he paid for before it was transferred on to B. In relation to the transfer the Contingent Reimbursement Model ("CRM") does not cover transfers sent to accounts, in the consumers own name.

So, taking everything into consideration I think that what Barclays has already agreed to do is fair and reasonable, so I uphold this complaint in part.

### **Putting things right**

- Barclays Bank UK PLC should refund 50% of Mr S's loss from and including transaction 3. If not already refunded.
- Add 8% simple interest annually to this figure from the date of each transaction to the date of settlement less any tax lawfully deductible.

### **My final decision**

My decision is that I uphold this complaint in part and require Barclays Bank UK PLC to pay redress as outline above Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 July 2024.

Charlie Newton  
**Ombudsman**