

The complaint

Miss F has complained about Barclays Bank UK Plc not refunding several payments she says she made and lost to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Miss F fell victim to a fake job scam after she was contacted on a messaging app by a scammer. The scammer told Miss F that she would be paid for completing a number of tasks, but she would also have to pay in funds to the task platform periodically, using cryptocurrency via an exchange, to unlock more tasks and to receive her payment. After an initial payment via card to purchase cryptocurrency, which was sent to the scammer, she was able to withdraw £142.48 in "commission" which led her to believe this was a legitimate job opportunity. The other funds were sent via another regulated firm ("W") before being sent on. Once Miss F sent funds to the scammer to release her "earnings" she did not receive anything and realised she had been scammed.

The relevant transaction history of Miss F's completed payments and withdrawal are as follows:

Transaction	Date	Type of Transaction	Amount
1	22 September 2023	Card payment to cryptocurrency exchange	£75
	22 September 2023	"Commission" withdrawal	£142.48
2	23 September 2023	Transfer to W	£350
3	23 September 2023	Transfer to W	£1,000
4	23 September 2023	Transfer to W	£3,400
5	23 September 2023	Transfer to W	£4,700
6	23 September 2023	Transfer to W	£2,000
7	24 September 2023	Card payment to W	£5,021
8	24 September 2023	Card payment to W	£3,012.60

Our Investigator didn't uphold the complaint as, although he thought Barclays ought to have been aware of potential financial harm to Miss F from payment 6, he wasn't persuaded that Barclays could have prevented the loss had they intervened. This was because at every stage of the scam, including when being provided with scam alerts, Miss F was being coached by the scammer. Given this level of coaching, our Investigator wasn't persuaded a better intervention or warning would have prevented the loss.

As our Investigator couldn't resolve the matter informally, the case has been passed to me for a final 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Miss F has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean she is automatically entitled to recompense by Barclays. It would only be fair for me to tell Barclays to reimburse Miss F for her loss (or a proportion of it) if: I thought Barclays reasonably ought to have prevented all (or some of) the payments Miss F made, or Barclays hindered the recovery of the payments Miss F made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Barclays treated Miss F fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Miss F's complaint. I know this will come as a disappointment to her and so I will explain below why I've reached the decision I have.

I have kept in mind that Miss F made the payments herself and the starting position is that Barclays should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Miss F did not intend for her money to ultimately go to a scammer – but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - 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 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

So, I've thought about whether the transactions should have highlighted to Barclays that Miss F might be at a heightened risk of financial harm due to fraud or a scam.

The initial card payment of £75 Miss F made was not only of a significantly small value but a standalone payment to a merchant that was not identifiably linked with the subsequent transfers. Although this payment was to a cryptocurrency exchange this would not have automatically meant Barclays should have recognised Miss F was at risk of financial harm. I've also noted payments 2 to 5 Miss F made were to her own existing account at W which had been open for some time. So, overall I'm not persuaded Barclays ought to have been aware that she was at risk when completing these transfers, or the initial card payment.

However, Barclays did find two of Miss F's payments suspicious (payment 6 and a payment for £5,000 that was attempted shortly afterwards but not released). Barclays paused these payments to make some further enquiries about them. I agree with our Investigator that Barclays ought to have intervened when Miss F attempted payment 6, by trying to understand more about the payment, and by giving a tailored warning narrowed down to the specific type of scam Miss F could've been falling victim to. This type of scam was well-known and so Barclays should have been monitoring Miss F's account for such a risk. But I'm not persuaded that would have prevented her loss.

I say this because even though Miss F expressed scepticism from the start about the "job" being a potential scam, even subsequently questioning the scammer before sending further funds, she proceeded. It is also evident from the chat transcripts between Miss F and the scammer that she was being coached on what actions to take. This included being told to ignore scam alerts as they were routine safety tips, what to do in response of them and how she should answer any questions posed by Barclays about the payment she was making. The scammer continued to guide her throughout the process, ensuring she continued making payments despite any warnings or obstacles Miss F faced.

It is clear Miss F had built a lot of reliance on the scammer in a very short time, even seeking advice from the scammer as to what to tell Barclays if questioned on these "earnings". Additionally, where payments Miss F attempted failed she reverted back to the scammer and took their advice about attempting them again. Miss F confirmed in one telephone conversation with Barclays that she had encountered multiple errors and scam warnings but continued attempting to send funds regardless. This was no doubt because she was under the influence of the scammer and was convinced the job opportunity was legitimate.

Therefore, I'm persuaded that Miss F would have continued to seek alternative ways to send the funds, such as attempting to use her partner's bank account, had Barclays taken additional steps to protect her.

I've noted Miss F has referenced another decision that she believes is close to her circumstances. However, we consider each case on its own individual merits and although she believes the circumstances of another decision seem to be similar, there are key differences.

Whilst Miss F has undoubtedly been the victim of a cruel scam, I can only uphold her complaint if I'm satisfied Barclays' failing made a material difference to what happened. Ultimately, for the reasons given, I'm not persuaded it did.

Recovery

The only method of recovery Barclays has for payments made by card is to request a chargeback. However, Miss F didn't make the initial card payment to the scammer directly, she paid a cryptocurrency exchange. The service provided by the cryptocurrency exchange would have been to convert or facilitate conversion of Miss F's payments into cryptocurrency. The fact that the cryptocurrency was later transferred elsewhere – to the

scammer – doesn't give rise to a valid chargeback claim against the merchant Miss F paid. Ultimately, the cryptocurrency exchange provided the requested service to Miss F.

In relation to the other debit card payments and transfers Miss F made, it's important to note she didn't instruct Barclays to send the money directly to the scammers here either. Miss F completed these payments directly to her own account with W, before she sent the funds on. Barclays would only ever have been able to attempt to recover the funds from where the funds were originally sent, which would have been Miss F's own account which was still within her control. If these funds had not already been transferred to the scammer, they would be in her control to access as and when she chose. Therefore, I won't be asking Barclays to do anything further.

The Contingent Reimbursement Model Code

Although Barclays has signed up to the Contingent Reimbursement Model Code, the transfers Miss F made from her Barclays account aren't covered by the Code because she made the payments from her Barclays account to her other account and not to another person. I cannot fairly and reasonably say that Barclays should have to refund payments under the Code when it doesn't apply here.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Barclays Bank UK Plc to reimburse Miss F's loss.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 3 April 2025.

Lawrence Keath
Ombudsman