

The complaint

Miss S complains that Barclays Bank UK PLC hasn't refunded her the full amount she lost to a cryptocurrency investment scam.

What happened

Miss S spoke with someone on social media about investing in bitcoin. The person said they could invest on Miss S's behalf and would take commission from this for the work, but this was actually a scam. Miss S told Barclays that she checked out the company's pages on social media and did an online search for them. And that she understood the return rate for £500 invested would be £10,000, minus the commission. She paid £1,840 towards the scam. She reported the scam to Barclays, but also said at this time she hadn't authorised the payments.

Barclays partially upheld Miss S's case and offered her 50% of the loss, plus compensatory interest and £100 compensation. It said the payments were out of character for Miss S, so it should've intervened. However it didn't agree she did sufficient research into the opportunity. Miss S came to our service as she wanted the other 50% refunded.

Our investigator didn't uphold her complaint, she agreed with Barclays that there were red flags with the opportunity Miss S should've seen. And she said that the return rate was unrealistic. Miss S asked for an ombudsman to review her case. She said that she was lied to, so she didn't know how she could protect herself from lies and fake documents.

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 broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations 2017 ("PSRs") and the terms and conditions of the customer's account.

While I accept Miss S initially said she didn't authorise these payments, she's also said she believed she was paying a legitimate company to invest. I can see her screenshots of the payments she's making in the chat with the scammer. The fact she understood, by completing the step she did, that payments would be leaving her account is enough to say, under the PSRs, it was authorised by her, even if this wasn't a genuine opportunity.

As I consider the payments were authorised, I've then considered longstanding regulatory expectations and requirements, and what I consider to be good industry practice. In line with this, Barclays ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In this case Barclays has already said it should've intervened when Miss S made the payments. However it considers that it should equally share responsibility with her for the loss, due to her not doing sufficient research into the opportunity. As it has already agreed it

holds responsibility, I've only considered whether it's fair to share this responsibility with Miss S. Looking at the case as a whole, I think the offer paid by Barclays is fair.

While Miss S says she researched the firm, my research doesn't indicate they had much of an online presence at the time of the scam. But I can see that after Miss S became suspicious of the person she was speaking to, she asked for the kind of information I'd expect her to have requested initially to verify the opportunity.

Miss S asked for details of their regulation and address. She immediately looked up the address given and saw it belonged to a supermarket. And the documentation sent to show the merchant was authorised was foreign paperwork, and didn't have the name of the merchant she believed she was investing with on it. This information seemingly confirmed to Miss S she'd been scammed, so had she done this kind of basic check initially, she'd have realised this wasn't a genuine venture. While I accept Miss S was being lied to, simple checks earlier on would've shown that the information was false.

I also can't say that any merchant offering returns of £10,000 from only £500 should have seemed genuine. Despite us asking, Miss S hasn't given us the timescale she was told she'd make this amount over. But considering the amounts involved, this should've seemed far too good to be true, especially as Miss S was trying to withdraw funds within two weeks of investing. So I think it's fair that liability for the loss is shared.

I have considered whether there were any ways Barclays could have recovered Miss S's money, but I don't consider it could have. The funds went to a genuine cryptocurrency merchant who would've provided this service in exchange for the funds.

Whilst Miss S has undoubtedly been the victim of a cruel scam, I don't find there were any failings on Barclay's part that would lead me to award more than has been offered, so I don't uphold this complaint.

My final decision

For the reasons set out above, I don't uphold Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 10 December 2024.

Amy Osborne
Ombudsman