

The complaint

Mr P has complained Barclays Bank UK PLC won't refund several payments he says he 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, Mr P fell victim to an investment scam. He made numerous transfers to a cryptocurrency exchange, before forwarding his funds to the scammers. Mr P believed he was sending funds to a credible investment platform. After his investment decreased in value the scammers persuaded him to take an insurance policy, which they loaned him the funds for. However, he subsequently discovered the investment was a scam after he was informed he had to repay the loan before he could withdraw any funds.

The relevant transaction history from Mr P's Barclays account statements are as follows:

Transaction	Date	Type of Transaction	Amount
1	23 May 2023	Transfer to P	£1,002
2	23 May 2023	Transfer to P	£3,000
3	26 May 2023	Transfer to P	£2,500
	26 May 2023	Transfer from P	£79.28
4	30 May 2023	Transfer to P	£2,000
5	30 May 2023	Transfer to P	£3,000
6	31 May 2023	Transfer to P	£2,000
7	31 May 2023	Transfer to P	£2,000
8	31 May 2023	Transfer to P	£3,000
9	1 June 2023	Transfer to P	£2,001
10	1 June 2023	Transfer to P	£6,000
11	2 June 2023	Transfer to P	£5,050
	8 June 2023	Transfer from P	£18.05
12	8 June 2023	Transfer to P	£2,000
13	8 June 2023	Transfer to P	£3,000

Barclays didn't reimburse Mr P's lost funds and so he referred his complaint to us. Our Investigator looked into things but didn't recommend the complaint be upheld. They weren't persuaded, on balance, that Barclays could have prevented Mr P from falling victim to the scam. 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 focussed 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 Mr P has been the victim of a scam here; he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr P is automatically entitled to recompense by Barclays. It would only be fair for me to tell Barclays to reimburse Mr P for his loss (or a proportion of it) if: I thought Barclays reasonably ought to have prevented all (or some of) the payments Mr P made, or Barclays hindered the recovery of the payments Mr P 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 Mr P fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr P's complaint. I know this will come as a disappointment to Mr P and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr P made the payments himself and the starting position is that Barclays should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr P did not intend for his money to ultimately go to fraudsters, but he 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.

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

Barclays did intervene on 23 May, when Mr P was attempting to make initial payments of £1000 and £1001, requiring him to first discuss them before allowing funds to be released. During this call Barclays specifically made Mr P aware that scammers have been persuading customers to move their money into cryptocurrency and make certain investments. However, Mr P was not forthcoming with any details that would have allowed Barclays an opportunity

to uncover he was being scammed. Instead he alleviated Barclays concerns by confirming: he had completed his own research, no-one was helping or advising him on his investment, he could not recollect specifically which sites he had used to research such an investment, he had not downloaded any remote access software, no-one had contacted him regarding this cryptocurrency investment promising he'll make money quickly with a low risk, no-one was pressuring him and no script had been given to him. He also only informed Barclays he was investing in cryptocurrency,

However, contrary to what Mr P told Barclays, he was being advised by what he believed to be an investment firm, was aware of the trading platform's website and had downloaded screensharing software. Although I've been supplied with some of the correspondence Mr P had with the scammer, and he's given some details about what took place on the calls, I cannot be sure exactly why he chose to mislead Barclays. I've noted that Mr P had said his friends had completed investments (albeit I've no evidence to suggest with this scammer), that he completed his own research and he found the scammers very knowledgeable. This all likely played a part in Mr P's belief that he was investing with a legitimate investment firm. But, considering then that Mr P no doubt did believe this to be a legitimate investment, this would not explain why he was misleading Barclays. Therefore, it's most likely the scammers had coached him on how to respond and his belief in them had led him to do so.

Consequently, as Mr P seems to have been so heavily under their influence at such an early stage, I'm not persuaded that Barclays would have been able to uncover the scam at any point. I say this because, having also listened to the subsequent telephone calls that Mr P had with Barclays, triggered either by their intervention or when Mr P called to seek help when he was struggling to execute payments, he was still not forthcoming with any information. Mr P continued providing reassurances which led to him instead being provided with more generic safe account scam warnings, which were not applicable to his circumstances. Additionally, I've seen no evidence which suggests the influence the scammer had over Mr P was starting to wane as the scam progressed and so I do not think Barclays could have prevented the loss.

Mr P believes Barclays should have probed further, but I don't agree. Barclays' intervention must not amount to an interrogation and having listened to the available calls the questions they asked were appropriate. I am satisfied enough information was brought to Mr P's attention overall to put him on notice, considering his awareness of the wider details of his investment he hadn't shared, that there could be a risk of fraudulent activity. If Mr P had been more forthcoming with his answers Barclays would likely have recognised he had fallen victim to a scam and stopped this initial payment. As per Mr P's testimony this was a sophisticated scam, with a personalised access to a fake trading platform. The fact he also had some withdrawals, £100 and £500, during the scam no doubt supported Mr P's belief in the legitimacy of the investment, which in turn clearly did impact his receptiveness to being open about where he was sending his funds.

Due to this I'm not persuaded that any follow up questions Barclays could have asked in any call to Mr P would have uncovered the scam. It's most likely Mr P would have continued to provide Barclays with credible answers that would have reassured it of any concerns it may have had. Therefore, I'm not persuaded that Barclays could have prevented Mr P's loss.

Recovery

I have gone on to consider if Barclays took reasonable steps to try and recover the funds. It's important to note he didn't instruct Barclays to send the money directly to the scammers. Mr P completed the transfers to his own account with P. All the funds were then sent on to a wallet address provided by M. Barclays would only ever have been able to attempt to recover the funds from his own account at P, which is what occurred. If these funds had not

already been transferred to the scammer, they would be in Mr P's control to access as and when he 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 payments Mr P made from his Barclays account aren't covered by the Code because he made the payments from his Barclays account to his 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 Mr P's loss.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 May 2025.

Lawrence Keath
Ombudsman