

The complaint

Mr and Mrs F complain that Barclays Bank UK PLC (“Barclays”) have failed to refund the money they lost as part of a scam.

Mr F seems to have been the person who mainly interacted with the scammer, so I will mainly refer to Mr F – even though the loss came from a joint account.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr F saw an advert on a social media site by a company that I will call B that purported to be a crypto trading firm.

B then persuaded Mr F to send funds to an account that he held with a different provider. The funds were then sent to other account holders and presumably sent on to B. Mr F made around 11 transfers totalling over £35,000.

When Mr F attempted to withdraw the ‘profit’ that he could see on B’s platform, he was told that he had to pay additional fees. After paying these fees he was still unable to get his “profits” back unless he paid further fees. It was at this point, he realised he had been scammed.

Mr and Mrs F asked Barclays to refund these payments. Barclays did not agree with this.

One of our investigators looked into this matter and she thought that Barclays did not need to intervene given the size of the payments and that the payments were being sent to an account in Mr F’s own name. She also thought that, even if Barclays had intervened, it would likely not have stopped the scam. She said this because Mr F’s other account provider did intervene and asked questions about the payments so as to determine if Mr F was possibly being scammed, but Mr F was not accurate with the answers he provided and the scam was not stopped.

Mr F did not agree with the investigator’s conclusions. Therefore his 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

It isn't in dispute that Mr F authorised the payments in question he made from his Barclays account. The payments were requested by him using his legitimate security credentials provided by Barclays. And the starting position is that Barclays ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I've considered whether Barclays should have done more to prevent Mr F from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance, the transactions were not in isolation large enough and the pattern, whilst slightly unusual for Mr and Mrs F's account, was not, in my view, unusual enough to be indicative of a scam occurring. This is taking into consideration that the payments were going to an account that was in Mr F's own name and Mr F had made larger payments in the past. So overall I don't think that Barclays needed to intervene during the scam.

That said, even if Barclays did intervene, I don't think that this would have uncovered the scam. I say this because Mr F's other account provider asked about the payments that were being made and Mr F said that he was making payments in order to purchase goods and services, rather than for investment purposes. He also said he had read the reviews from the seller and was purchasing accommodation for a holiday. So I think had Barclays asked him questions about the payments to determine if he was likely the victim of a scam, I don't think Mr F would have provided the real reasons for making the payments and this would have, in turn, stopped Barclays from uncovering and preventing the scam.

So overall I don't think that Barclays needed to intervene and even had it done so, I don't think it would have stopped the scam. Because of this I don't think it would be appropriate to say that Barclays should be held responsible for Mr F's loss.

I've also thought about whether Barclays could have done more to recover the funds after Mr F reported the fraud.

Barclays are under no obligation to refund the money to Mr F under the Contingent Reimbursement Model (CRM) Code. This is because the CRM does not cover payments made to accounts held in the same name as the person sending the money. I also can see that it did try and recover the funds as soon as it was made aware that Mr F had been scammed. But unfortunately, by this point, the funds had already been passed on from the account that Mr F held with the other provider so there was no money left to recover.

I appreciate this will likely come as a disappointment to Mr and Mrs F, and I'm sorry to hear they have been the victim of a cruel scam. However, I'm not persuaded that Barclays can fairly or reasonably be held liable for their loss in these circumstances.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 4 February 2025.

Charlie Newton
Ombudsman