

The complaint

Miss D complains that Barclays Bank UK PLC (Barclays) won't refund the money she lost to a scam.

Miss D has used a professional representative to bring this complaint to our service and they have made submissions on her behalf. For consistency, I'll refer to Miss D throughout.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here, but in summary I understand it to be as follows.

Miss D was contacted via a social media messenger service about an investment opportunity with a company (that I'll call C).

She was tricked into making two payments totalling £250 from her Barclays account to a cryptocurrency exchange account that she opened in her own name. From there, she converted her funds to cryptocurrency and sent this on to a fraudster.

She realised she'd been scammed when she didn't receive returns, and the correspondence from the fraudster stopped.

Miss D contacted Barclays on 25 November 2023, to report that she'd been scammed. It declined to refund her because it said the payments were not unusual for her account usage, so it had no reason to intervene. And the payments went to Miss D's own account, so they could not be covered by the Contingent Reimbursement Model (CRM) Code, which Barclays is a signatory of. Barclays attempted to recover Miss D's funds when she reported the scam, but it was unable to.

Our Investigator reviewed Miss D's complaint, but they didn't uphold it. They agreed Barclays had no reason to stop Miss D from making the disputed payments, and there was no reasonable prospect of it recovering Miss D's funds.

Miss D disagreed. She doesn't think it's fair that Barclays shouldn't compensate her. She gave no specific reason as to why and declined to provide further evidence.

As no agreement could be reached, this case was passed to me to be decided.

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 outcome our Investigator reached and broadly for the same reasons. I'll explain why.

It isn't in dispute that Miss D carried out the transactions, albeit she was tricked into doing so. So, under the relevant regulations, namely the Payment Services Regulations 2017 (PSR 2017), the starting position is that Miss D is responsible for transactions she has authorised.

I've thought about whether Barclays ought to have done more to prevent Miss D from falling victim to this scam. In some cases, I'd expect a firm to intervene on a payment or series of payments, where it has sufficient grounds to suspect its customer might be at risk of financial harm from fraud when making a payment.

However, in deciding this, it's important to remember that firms like Barclays process hundreds of thousands of payments each day. It wouldn't be fair or reasonable, nor would it be practical, for it to intervene on every single payment it processes. Firms need to strike a balance between protecting customers from financial harm and avoiding unnecessary disruption to legitimate payments.

Whilst I accept that any amount lost to fraud is too much, I'm not persuaded that the value of the disputed payments, would have been particularly striking to Barclays to have caused concern. Miss D's statements she regularly made payments of a similar or larger value. So, the disputed payments (of £200 and £50) would not have stood out as unusual. Nor do the payments form a suspicious pattern.

I do accept that cryptocurrency scams have increased in prevalence, such that by the time Miss D made the payments, I'd expect Barclays to have been aware of this elevated risk for payments associated with cryptocurrency. However, that doesn't mean it ought to intervene on every and any payment that appears to be associated with cryptocurrency – as a great many of these payments will be legitimate. Instead, I'd still expect it to take into account all the information known about the payment at the time. And as I've explained here, there wasn't enough going on for Barclays to have reasonably been concerned.

Overall, I'm not persuaded Barclays acted unreasonably in processing these payments in accordance with Miss D's instructions without making further enquiries. I'm sorry Miss D lost this money to a cruel scam, but on this occasion, I don't find Barclays ought reasonably to have prevented her loss.

Recovery of funds

I'm not persuaded there was any reasonable prospect of Barclays being able to recover Miss D's funds. The payments were made to Miss D's own cryptocurrency exchange account, and from there, she forwarded cryptocurrency to a fraudster. So, there's nothing more Barclays could have reasonably done to recover her funds.

The CRM Code

Miss D has claimed Barclays ought to refund her under the CRM Code for failure to provide an effective warning, and because she was vulnerable.

I'm sorry to disappoint Miss D, but I agree with Barclays and our Investigator that Miss D's claim can't be considered under the CRM Code.

Whilst Barclays is a signatory of the Code, specific conditions must be met for a claim to be covered. One of those conditions, is that funds go to 'another person'. But in this case, the payments are made to Miss D's own account. So, the CRM Code doesn't apply, and I can't fairly or reasonably ask Barclays to refund Miss D's loss.

My final decision

For the reasons explained, my final decision is that I do not uphold this complaint about Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 28 April 2025.

Meghan Gilligan
Ombudsman