

The complaint

Mr N has complained that Barclays Bank UK PLC (“Barclays”) failed to refund the money he lost as part of an investment scam.

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, my understanding is that Mr N came across a company that purported to be an investment firm that I will call B.

Mr N then made around 25 transactions totalling over £55,000 to a crypto exchange and two accounts that he held with different financial institutions. My understanding is that the funds were subsequently sent onto B. These transactions were a mixture of card payments and transfers.

After some time, Mr N realised he had been scammed when he was unable to withdraw the profits that he made. Mr N asked Barclays to refund these payments, as he believes Barclays should have done more to prevent him from being scammed in the first place. Barclays did not agree with this.

One of our investigators looked into this matter and he thought that, given the answers Mr N gave during calls with Barclays, it intervened appropriately and did not need to do more than it already had. The case was then reviewed again by a senior investigator, who also did not uphold this complaint for broadly the same reasons.

Mr N did not agree with this and 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.

In deciding what’s fair and reasonable, I am required to take into account relevant law and regulations, regulators’ rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

Mr N has written at some length about the issues that he has faced. I may not comment on everything Mr N has told us nor every individual point raised. I want to reassure both parties that this doesn't mean I consider things unimportant, nor that I haven't reviewed everything. While I've carefully thought about all of the information on the case, I'm going to focus on what I consider the crux of Mr N's complaint and the key facts. This reflects the informal nature of our service.

It isn't in dispute that Mr N authorised the disputed payments he made from his Barclays account. The payments were requested by him using his legitimate security credentials provided by Barclays. 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 N 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.

Barclays intervened a number of times during the scam. During phone calls it had with Mr N, it questioned some of the payments that Mr N made. The first intervention was when the first payment was made to an account that Mr N had opened with a different provider. I think that this intervention point was appropriate. It intervened a further few times during the scam.

I have listened to these calls with Barclays and with Mr N. It is clear from the tone of his conversations that Mr N was intent on making the payments. From what he said during those conversations, it didn't seem that he was concerned that what he was doing could be related to a scam.

It is also clear that Mr N was providing answers to Barclays' questions that were not entirely accurate. I am not sure if this was at the prompting of the scammer, as it seems some of the conversations between the scammer and Mr N were carried out over the phone. One other alternative is that Mr N was worried that if he gave the correct answers to the questions being asked, the payments would be blocked. Either way, the answers that Mr N gave essentially stopped Barclays from giving an appropriate warning or uncovering the scam.

For example, in one call, Mr N confirmed that he had not been approached about investments. This was not correct, as he had been approached by B. In several calls Mr N was asked why he was sending funds to one of his other account providers. In response he repeatedly said that he just wanted to "top-up" his other account. He also, in one call, was asked if the funds were going to remain in his account with the other provider or were they going to be sent on to a different account for something like an investment. Mr N confirmed that the funds were going to remain in his account with the other provider.

Given these answers and that the funds were going to an account in his own name, I think Barclays intervened appropriately. I don't think it needed to do anything more than it already did. And even if Barclays had intervened further on different payments, I don't think it's likely the scam would have been stopped. I say this because, I think it's likely that Mr N would have given similar answers to Barclays, which again would've prevented Barclays from being able to provide a tailored warning about the risks of what Mr N was doing or from uncovering the scam.

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

Barclays are under no obligation to refund the money to Mr N under the Contingent Reimbursement Model (CRM) Code. This is because the Code does not apply to transfers which the payer has effectively made to themselves. In relation to the card payments, I don't think that a chargeback would have been successful. The card payments were essentially to send funds from one account that Mr N held to another account that he held elsewhere. And as this is what occurred, I don't think that there are any grounds to challenge those payments.

I note Mr N's comments about the consumer duty. But this does not mean that Barclays are obliged to refund all victims of scams. So, for the reasons set out above, I don't think that Barclays could have prevented his loss. Because of this, I don't think it would be reasonable to ask Barclays to reimburse Mr N for the money that he lost.

I appreciate this will likely come as a disappointment to Mr N, and I'm sorry to hear he has been the victim of a scam. However, whilst I have a great deal of sympathy for the situation that Mr N found himself in, I'm not persuaded that Barclays can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 6 May 2025.

Charlie Newton
Ombudsman