

The complaint

Mr B has complained that Barclays Bank UK PLC won't refund the money he lost after falling victim to a scam.

What happened

In spring 2024, Mr B was looking for work, and was cold-called with a job offer. He was set up with an account on a portal, where he did tasks for commission. His account went into negative balances, which he was told to clear with his own funds to get his money back. Mr B did so by making card payments to a cryptocurrency account in his own name, then sending the funds on from there. He was asked to put further money in to withdraw his earnings, and realised he'd been scammed. He'd paid over £2,300 from his Barclays account.

Barclays agreed they should've flagged the payments from the fourth payment onwards, though they thought Mr B had also not taken enough care. So they offered to refund 50% of the fourth payment onwards, and to pay Mr B £100 additional compensation. Barclays didn't think they were otherwise liable for Mr B's loss before that fourth payment.

Our Investigator looked into things independently and found that Barclays' offer was fair. Mr B appealed, so the complaint's been passed to me to decide.

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 understand that Mr B fell victim to a scam, and so he has my sympathy. I appreciate this can't have been an easy time for him, and I appreciate why he feels that his money should be returned. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened, and who really owe Mr B his money back. But I can only look at what Barclays are responsible for. Having carefully considered everything that both sides have said and provided, I think Barclays have already made a fair offer to resolve the complaint. I'll explain why.

It's not in dispute that Mr B authorised the payments involved. So although he didn't intend for the money to go to scammers, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, Barclays had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Barclays should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. Barclays have already agreed to take some responsibility for the fourth payment onwards, so I've thought carefully about whether Barclays should have done more in the first three payments.

While of course this was a significant amount for Mr B to lose, those first three payments were not nearly large enough that I'd have expected them to be of particular concern to Barclays. And while they went to a crypto site, Barclays were not required to flag or stop every single payment to crypto sites. They were only a few payments, of non-notable amounts, they didn't empty the account, and they were authorised by the genuine customer to an account in his own name. And in the year leading up to this scam, Mr B had made quite a few payments of similar or even much higher amounts than these, so they were not very out of character for this account. I do not think that the first three payments were sufficiently unusual or out of character that Barclays needed to intervene, and I have not found that Barclays failed in any duty of care toward Mr B in not flagging them.

Turning to the fourth payment onwards, I must also think carefully about Mr B's role in what happened. While I understand that this was a detailed scam, that Mr B felt the scammers' website looked professional, and that they let Mr B receive a modest initial sum, I'm afraid Mr B ought to have had more concerns along the way about what he was being told and asked to do. He doesn't seem to have been given any proper contract or paperwork for this job, the offer was unrealistic, he doesn't appear to have looked into the scammers' company in a reasonable fashion, he was asked to pay to work, and the explanations the scammers gave him do not seem reasonable. I don't think Mr B had a reasonable basis to believe what he was being told. I think Mr B should also bear some responsibility for his losses from the fourth payment onwards. So it seems fair for Barclays to only refund 50% of that loss.

Next, I've considered what Barclays did to try to recover Mr B's money after he told Barclays about the scam. Unfortunately, as these card payments went to Mr B's own crypto account, and Mr B then sent all the money on to the scammers, there was nothing more Barclays could really do to get that money back. While I appreciate that Mr B would like Barclays to have tried a chargeback, there was no chargeback reason which would have been appropriate here. A chargeback would've been against the crypto exchange rather than the scammers, and the exchange provided the service they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary. So it was fair that Barclays didn't try one in this case. Then as these were card payments made to a crypto account in Mr B's own name, they were not covered by the CRM Code.

Lastly, I've not found that Barclays made any other errors which would necessitate them paying any compensation beyond what they've already offered to Mr B here.

So while I'm very sorry to hear about what happened to Mr B, I find that Barclays have already made a fair offer to resolve the case. I can't fairly hold Barclays responsible for anything beyond what they've already offered, and so I can't fairly tell Barclays to offer Mr B any further money.

My final decision

For the reasons I've explained, I find that Barclays Bank UK PLC have already made a fair offer to resolve the complaint. I do not make any further award. Barclays Bank UK PLC should pay Mr B the offered redress, if they've not done so already.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 September 2024.

Adam Charles
Ombudsman