

The complaint

Mr R, via a representative, complains that Barclays Bank UK PLC ("Barclays") have 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, Mr R was contacted by a scammer that I will call C. Mr R and C struck up a friendship and C mentioned that they made money investing with a company that I will call B. Mr R was persuaded to invest with B.

Mr R sent funds to a crypto exchange. The funds were then sent to B. These payments were predominantly by debit card. At first, Mr R said that he initially made profits. But when he tried to withdraw his funds, he was given a variety of reasons as to why he had to make further payments to release his account balance. Between July and September 2023 Mr R sent B over £10,000 from his Barclays account, via his crypto accounts.

Mr R 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 she thought that Barclays should have intervened more than it did. But she concluded that even if it had done, this would likely have stopped the scam. She therefore did not uphold this complaint.

Mr R 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.

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

It isn't in dispute that Mr R authorised the disputed payments 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 R 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 given the volume of payments and that they were crypto related, I think that Barclays should have intervened, particularly when Mr R sent £4,708.17 on 15 August 2023. I think a proportionate intervention would have been a tailored warning based on what Mr R said his payment was for.

Early in the scam, Barclays asked what two payments were for and Mr R selected Bill invoice or Tax. Mr R said that this was because he was making payments to receive funds which would allow him to pay his bills. I am not persuaded by this. I think it more likely that he was entering a reason in order to make sure the payments were allowed to go through. Moreover, Mr R took out a loan with Barclays I note that he told us that the loan was to cover his immediate bills and expenses so that is the reason he gave for the loan. But I can see that he shortly sent the almost exact amount to B. So I think that the loan was to allow him to send more money to B. So he was not forthcoming with Barclays about what he wanted the loan for. I say this as my understanding is that Barclays would not have lent to him if he said he wanted the funds for an investment, especially one involving crypto. This suggests that he was willing to mislead Barclays in order to send funds to B. So given this, had Barclays asked questions about this payment, I am not persuaded that Mr R would have been forthcoming about what he was making the payment for. So I don't think that any tailored warning would have been completely relevant to the scam Mr R was falling for.

That said, I think that as the funds were being clearly sent to a crypto firm, I think regardless of the payment reasons Mr R presented, Barclays should have possibly issued a warning setting out the general features of crypto scam.

But I also don't think that a general warning about the dangers of crypto scams would have stopped the scam. Mr R has not provided the chat between him and the scammer, but from what he described, I think the relationship was sufficiently close for the scammer to have explained away any general warning. Mr R said the scammer was persuasive and had showed him all the money that she had made and withdrawn. So I don't think that a general warning would have stopped the scam.

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

Firstly, I note that Barclays did recover the first two transfers that were sent to a business account linked to the scammer.

In relation to the remaining payments Barclays are under no obligation to refund the money to Mr R 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 debit card payments, they seem to have been made as a means to purchase crypto which he duly received. So overall, as he essentially got what he had paid for (as the loss only occurred once the crypto was transferred out of Mr R's wallet), I don't think that Barclays could have challenged those payments either.

I appreciate this will likely come as a disappointment to Mr R, and I'm sorry to hear he has been the victim of a scam. However, 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 R to accept or

reject my decision before 13 June 2025.

Charlie Newton
Ombudsman