

The complaint

Mr I complains Barclays Bank UK PLC won't refund money he lost to two scams.

A representative who I will call "T" complains on behalf of Mr I.

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 and based on the submissions of both parties, I understand it to be as follows.

In early 2023, Mr I was introduced to purchasing and trading cryptocurrency by two different individuals he had met on a popular dating site. I will refer to these individuals as "Ms A" and Ms B."

Between March and May 2023, Mr I made payments totalling over £36,000 to different crypto platforms, before sending the money to the scammers on the belief it would be invested on his behalf. When Mr I wanted to withdraw his money, he was told he needed to pay fees for things like maintenance and tax. It was only after making these payments and not getting his money that he realised he'd been scammed.

T complained to Barclays on Mr I's behalf in February 2024. They said Barclays only queried one payment for £10,000 on 9 May 2023, after having already allowed transfers of over £16,000 to be made. T considered that Barclays' questioning during this call was not sufficient enough, and only prompted one-word answers from Mr I. They said Barclays didn't take into account the language barrier meaning Mr I wasn't able to fully understand the questions being asked. They also said that had Barclays intervened further and asked more probing questions earlier in the scam journey, the scam could have been uncovered, especially given the transactions were inconsistent with Mr I's previous account activity and were made to new payees.

Barclays looked into what had happened and needed more information from Mr I before they could give a response. As they didn't receive the information they needed, they weren't able to conclude their investigation.

T brought Mr I's complaint to our service. Our Investigator looked into everything but didn't think Barclays should refund the money Mr I lost. She said that Barclays questioned Mr I during their call with him on 9 May 2023, where he told them the investment had been referred by friends he knew. And that he had created the crypto wallets himself and nobody else had access to them. This wasn't an accurate reflection of the circumstances and so, it prevented Barclays from uncovering the scam.

Our Investigator didn't find the amounts sent prior to 9 May 2023 were of a value that should have concerned Barclays. She also said it was clear that Mr I was being led by the scammers, and that while Ms B suggested to Mr I that he was being scammed, he continued to make payments even when he could tell something wasn't right.

As she found Barclays' call on 9 May to be sufficient intervention, and as Mr I continued to make payments even after being told he was being scammed, our Investigator didn't recommend Barclays should reimburse any of the money lost. She also said they couldn't have recovered any of the money either.

Mr I didn't agree and so the complaint has been passed to me for review.

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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this as it simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr I has been the victim of two scams here – he has lost a large sum of money and has my sympathy for this given the circumstances. However, just because a scam has occurred, it does not mean that he is automatically entitled to a refund by Barclays. It would only be fair for me to tell Barclays to reimburse Mr I for his loss (or a proportion of it) if I thought they reasonably ought to have prevented all (or some of) the payments Mr I made, or that they hindered the recovery of them.

I've thought carefully about whether Barclays treated Mr I fairly and reasonably, both when he made the payments and when he reported the scam, or whether they should have done more than they did. Having done so, I've decided to not uphold Mr I's complaint. I know this will come as a disappointment to him and so I want to explain why I've reached the decision I have.

I have kept in mind that Mr I made the payments himself and the starting position is that Barclays should follow their customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr I didn't intend for his money to ultimately go to fraudsters – but he did authorise the payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant law and regulations, regulators' rules, guidance and standards, codes of practice, and, where appropriate, what I consider to be good industry practice at the time - Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that their customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or

- in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

So, I've thought about whether the transactions should have highlighted to Barclays that Mr I might be at a heightened risk of financial harm due to fraud or a scam.

Barclays called Mr I on 9 May when he tried to make a payment of £10,000. The call transcript provided shows Mr I explained he was trying to purchase cryptocurrency and he'd found out about it from friends he knew (in response to being asked whether he knew them in person or online). Mr I said he set up the wallet himself, and that nobody else had access to it. He confirmed he had made payments to the same place before and that he'd cashed in from it. Mr I said he was pleasantly surprised that Barclays had called him, and that it was a good thing. The advisor explained there were a lot of crypto scams going around and so they wanted to make sure everything was okay.

Had Mr I been open and forthcoming with Barclays they may have been able to uncover the scam. Unfortunately, due to Mr I not disclosing the true circumstances of the payment, Barclays weren't able to identify any red flags – including the involvement of third parties and that he was moving the funds away from the legitimate crypto providers. And so, they were reassured that Mr I was making the payments for genuine investment purposes.

I am however aware that Barclays only intervened for the one payment of £10,000, and that T have mentioned a language barrier which would have made it harder for Mr I to understand what the advisor was saying. I've considered these points but, while I appreciate English may not be Mr I's first language, I'm not persuaded – from what I've seen – that he couldn't understand what Barclays were asking in the call. He was seemingly able to respond to Barclays' questions, which I think were clear, and at no point did he query what they meant or inform them that he didn't understand. Furthermore, I note that the extensive chats Mr I had with the scammers show he was able to converse in English.

I do however accept that Barclays, arguably, should've intervened and carried out additional checks before processing some of the other disputed payments. This includes both before and after the £10,000 payment. However, even if they had, I'm not persuaded this would've prevented Mr I's loss. This is because from reading the conversations Mr I had with both scammers, he was sadly, very heavily under their spell. Mr I clearly wanted to be in a full relationship with them both, talking about going on holiday and spending his life with them.

Ms A told him to keep his investments a secret, and throughout their interactions, Mr I looked for any way possible to make money to invest. He sold his car, and borrowed money from others. He also told Ms A that he wanted to marry her, and that he had full trust and was investing in her personally.

On 15 April, Ms B told Mr I that she thought he was being scammed by his "friend". Regardless of this, Mr I continued to make payments, even though he was expressing to both scammers that he felt something was wrong. This demonstrates that Mr I was willing to disregard clear warnings that he might be being scammed, even at a time when he had some concerns or doubt.

This, to me, shows that Mr I was clearly under the spell and to a degree whereby he was willing to follow the scammers' instructions regardless of the risk that he might lose his

money. Because of this, even if Barclays had intervened in relation to other payments, I consider Mr I would've acted in a similar manner – that being he wouldn't have provided an accurate account of why he was making the payment, and that he would've likely alleviated any concerns Barclays might have had.

Because I'm not persuaded that any intervention would have deterred Mr I from making the payments he did, I won't be asking Barclays to reimburse any of the funds lost. I know this will be a disappointment to Mr I, and I am sorry to read of the situation the scammers got him into. But I don't think Barclays is responsible for his loss and so, it wouldn't be fair or reasonable for them to provide a refund.

The Contingent Reimbursement Model Code

Although Barclays have signed up to the Contingent Reimbursement Model Code, the payments Mr I made from his Barclays account aren't covered by the Code because he made the payments to another account in his own name. I cannot fairly and reasonably say that Barclays should have to refund payments under the Code when it doesn't apply here.

Recovery

After the payments were made, I couldn't reasonably expect Barclays to have done anything further until Mr I told them he had been scammed.

Unfortunately, as Mr I paid the money to crypto wallets in his name and then moved the money on to the scammers, any attempt at recovery was hindered. I say this as Barclays would only be able to attempt recovery from where they sent the payments, and we know that money was no longer under Mr I's control. If it had been, he could have returned it himself.

Regarding the debit card payments, the only method of recovery Barclays had was to request a chargeback. However, Mr I didn't make the card payments to the scammers directly, he paid a cryptocurrency exchange. The fact that the cryptocurrency was later transferred elsewhere, to the scammers, doesn't give rise to a valid chargeback claim against the merchant Mr I paid because ultimately, the cryptocurrency exchange provided the requested service to Mr I.

Because of the above, I'm not persuaded Barclays could have successfully recovered Mr I's funds.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 17 July 2025.

Danielle Padden
Ombudsman