

THE COMPLAINT

Mrs F holds/held an account with Barclays Bank UK PLC.

Mrs F's complaint is about Barclays's refusal to reimburse her money she says she lost due to a scam.

Mrs F is represented by Wealth Recovery Solicitors ("WRS") in this matter. However, where appropriate, I will refer to Mrs F solely in this decision for ease of reading.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mrs F says she has fallen victim to a cryptocurrency related investment scam and two recovery scams. She says fraudsters deceived her into making payments to what she thought was a legitimate investment, and then to two recovery schemes which she thought would recover the money she lost to the investment scam.

I do not intend on setting out a detailed list of all the payments in question. I say this given the volume and the fact that neither party in this matter disputed the losses the investigator at first instance set out in their assessment. Instead, I will provide a summary. The transactions concerned appear to be:

- Approximately 20 regarding the crypto scam; and approximately 10 regarding the recovery scams.
- Made between 28 February to 10 April 2024 (statement dates).
- Card payments.
- Made to Bitget, KuCoin/Simplex.
- Ranging from approximately £150 to £4,500, totalling £105,313.

Mrs F disputed the above with Barclays. When Barclays refused to reimburse Mrs F, she raised a complaint, which she also referred to this Service.

One of our investigators considered the complaint and did not uphold it, which WRS, on behalf of Mrs F, rejected. Consequently, this matter has been passed to me to make a decision.

WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Contingent Reimbursement Model (CRM) code

It appears that Mrs F made the payments in this matter via card, which the CRM code does not cover.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 (“the PSRs”).

Should Barclays have recognised that Mrs F was at risk of financial harm from fraud?

From what I can see, Barclays did not intervene in any of Mrs F’s payments in connection with the alleged crypto/recovery scams. Based on some of the aggravating factors surrounding Mrs F’s payments, I think an argument could be made to suggest that some of Mrs F’s transactions should have triggered Barclays’s systems – prompting it to intervene. However, had it done so, I am not persuaded this would have made a difference in the circumstances. That is, I think Mrs F would have likely frustrated such interventions for reasons I set out below.

I have listened to telephone calls between Mrs F and Barclays which took place on 24, 29 February and 1 March 2024. In those calls, Mrs F spoke to Barclays agents about payments to her Wise account. On the 29 February and 1 March calls, Mrs G told the agents she was making payments to Wise in connection with her father’s funeral in Nigeria.

After the above calls, on 22 March 2024, Mrs F telephoned Barclays to discuss two £4,000 payments she had made to KuCoin on 21 March 2024 (statement date). In short, Mrs F told the Barclays agent that she thought she had been scammed and wanted to trace both £4,000 payments. She also told the agent that the payments were for her sister-in-law’s funeral in Nigeria – having been unsuccessful using her Wise account which had been closed. Mrs F made no mention of the investment scam concerned during this call.

In the investigator’s findings, they held, amongst other things, that *“On balance, I’m satisfied that if Barclays had spoken to [Mrs F] about each payment, it’s likely she would have given this [family funeral cover story], or another cover story to them at the time, effectively impairing their ability to warn her about the potential of her falling victim to a scam.”*

In response to the investigator’s findings, WRS submitted, amongst other things, that Mrs F was being honest with Barclays during the 22 March call: *“Our Client [Mrs F] has advised that only the transactions on 21 March were meant for our Client’s sister in Law’s funeral, as you can see on the attached funeral poster, the date of the funeral was also 21 March, therefore our Client was simply trying to make her payments that day to ensure everything would go smoothly, as she and other family members were abroad.”* In other words, WRS were no longer claiming that the payments made on 21 March to KuCoin were part of Mrs

F's losses.

I have some difficulty with WRS' submissions. I will explain why.

In WRS' initial submissions to Barclays (May 2024), they made no mention of Mrs F's father having passed away – despite having a section in their submissions dealing with vulnerabilities. However, when Barclays questioned WRS further about the scam, WRS stated, for the first time, that Mrs F's father had passed away in early March 2024 and “... *our Client was trying to send funds at that time to pay for the associated costs of this. This vulnerability was not mentioned at the time by our Client as it was still a recent event, therefore the shock was still present for her and she still finds it distressing to this day, as it has understandably had quite a significant impact on her.*” I am not persuaded that Mrs F was so distressed that she could not mention her father's passing at the time of WRS' initial submissions to Barclays. I say this because Mrs F had spoken about her father's passing comfortably with Barclays agents during the 29 February and 1 March calls.

WRS also did not initially make any mention of Mrs F's sister-in-law having passed away. This seems to have only been mentioned after Barclays questioned WRS about the 22 March call, as it was confused about the two funerals Mrs F said she was paying towards. Further, in WRS' initial submissions to this Service (June 2024), they made no mention of any of the bereavements concerned. This is something that only came to light when our investigator had listened to the relevant calls between Mrs F and Barclays. I would have expected these significant points to have been raised at the outset.

When WRS referred Mrs F's complaint to our Service, they set out the payments to KuCoin made on 21 March (mentioned above) as part of Mrs F's losses. WRS later withdrew these transactions as part of Mrs F's losses after the investigator's findings. To my mind, this was because the investigator did not uphold Mrs F's complaint due to relying on what she said about the two £4,000 payments during the 22 March call.

I am not persuaded that the two £4,000 payments to KuCoin were, as Mrs F says, for her sister-in-law's funeral. I think they were likely part of the scam alleged. In all the calls about Mrs F's payments to Wise, she said the Wise account was for payments in connection with her father's funeral. However, in the 22 March call, Mrs F mentioned the Wise account in connection with her sister-in-law's funeral. It seems odd that Mrs F made most of her payments to KuCoin to fund the alleged scam – save for the payments on 21 March which she says were for her sister-in-law's funeral. Further, I find making cryptocurrency payments to fund a funeral to be quite unusual. It follows therefore that I find, on balance, Mrs F was not truthful with Barclays during the 22 March call. Despite reporting a scam, Mrs F, for whatever reason, misled Barclays about the background to it.

It should also be noted that although WRS state the 21 March payments to KuCoin were not to fund the scam – there were actually three payments made to KuCoin on this date. However, during the 22 March call, Mrs F only expressed concerns about the two £4,000 payments for the funeral, not the third transaction. This is not consistent with WRS's submissions and raises doubts about all three payments.

Taking all the above points together, I do not feel that I can safely or fairly conclude that Mrs F would not have frustrated interventions from Barclays regarding her payments to the alleged crypto/recovery scams – particularly when placing weight on the inconsistencies of the submissions in question. Further, it has not been submitted that Mrs F was 'coached' on what to say during an intervention, so it is concerning that she chose to mislead Barclays of her own volition.

I am also not persuaded this is a case where Barclays, contrary to Mrs F's instructions,

should have refused to put her payments through.

Recovery of funds

I have considered whether Barclays acted appropriately to try to recover Mrs F's funds once the fraud was reported.

Card payments (chargeback)

Chargeback is an entirely voluntary scheme, which means firms are under no formal obligation to raise a chargeback claim. The relevant scheme operator can arbitrate on a dispute between a merchant and customer if it cannot be resolved between them. However, such an arbitration is subject to the rules of the relevant scheme – so there are limited grounds on which a chargeback can succeed.

The service of purchasing cryptocurrency/exchanging funds into cryptocurrency – is not covered under the chargeback scheme concerned in this matter. This is because the exchanges in question provided their services as intended. This also applies to any payment processor involved, as they would have carried out their services as intended when transferring funds.

For these reasons, I find that any chargeback claim in this matter had little chance of success under the relevant chargeback scheme. It follows that I would not have expected Barclays to raise one on behalf of Mrs F.

Vulnerabilities

Even though Mrs F had made the Barclays agents aware of her bereavements, I am not persuaded that Barclays should have dealt with her payments any differently. I say this because Mrs F did not give any indication during the calls concerned that she may potentially be vulnerable because of the deaths in her family. To my mind, Mrs F did not show any visible signs of concern during the calls. WRS also submit that Mrs F was vulnerable due to financial hardship. However, I have not seen anything to suggest that Barclays knew or ought to have known about this at the time.

Compensation for distress and/or inconvenience

I note that Barclays says it credited Mrs F's account with £50 for customer service related delays. I think this is fair and reasonable, and I have not found any other errors in Barclays's investigation. Any distress and/or inconvenience Mrs F has suffered is a result of the fraudsters' actions – not Barclays's.

Conclusion

Taking all the above points together, I do not find that Barclays has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Barclays to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For the reasons set out above, my final decision is that I do not uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 22 July 2025.

Tony Massiah
Ombudsman