

The complaint

Miss A complains that Barclays Bank UK PLC ('Barclays') won't refund the money she lost to an investment scam.

What happened

The background is known to both parties, so I won't repeat all the details.

In summary, Miss A says that in April 2024 she made a series of 'investment' payments to what she believed was a legitimate crypto-mining company ('B'). She learned about the opportunity through a 'property' group chat aimed at people seeking extra income or financial support. She understood that the company offered various investment plans, each promising significant returns depending on the plan selected.

She began by sending small amounts but soon increased the value of her payments. By the time she realised that B was a scam — a clone of a genuine crypto-exchange — she had sent more than £17,000 from her Barclays account. These payments were made between 8 and 26 April 2024 and were first transferred to her account with another bank ('M') before being sent through several crypto-exchanges and on to the scam. She also sent a further £1,000 on 21 May 2024 to the personal account of an individual ('X'). She had been led to believe X was connected to someone ('R') who was supposedly helping her recover the funds she had lost to B. She later discovered this was also a scam — a "recovery scam".

A complaint was made to Barclays and later referred to this Service. Our Investigator didn't uphold it. In short, she thought Barclays should have intervened but she wasn't persuaded it could have prevented the 'investment' scam, given Miss A's responses when Barclays and other firms in the chain did intervene on payments. For the transfer to X, the Investigator thought this fell under the Contingent Reimbursement Model ('CRM Code'). However, she thought Barclays was entitled to decline reimbursement because Miss A didn't have a reasonable basis for belief when making that payment. She found Barclays had refunded half of that amount, as well as £103 it had recovered, and that it didn't need to do more.

As the matter couldn't be resolved informally, it'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.

Having done so, I've decided not to uphold it. Miss A will understandably be disappointed, but these are the key reasons for my decision.

In broad terms, the starting position in law is that Barclays is expected to process its customers' authorised payment instructions without undue delay. It's not in dispute that the payments in question were authorised. This means Miss A is presumed liable for them in the first instance. However, because Miss A says the payments were made as a result of her falling victim to an 'investment' and 'recovery' scam, there are some further considerations

that may be relevant to whether it would be fair to expect Barclays to refund her money.

The CRM Code

Barclays was a signatory to the CRM Code. This was a voluntary code requiring firms to reimburse customers who fall victim to authorised push payment (APP) scams, except in specific limited situations. The CRM Code applies only to authorised push payments made between two UK-based accounts in pounds sterling, and only when the payment is sent to another person's account.

Because Miss A transferred money to her own account with M, those payments do not fall under the CRM Code. However, she also made a payment directly to an individual, X. That payment could fall within the scope of the CRM Code, assuming X was linked and involved in the "recovery" scam. Although X's exact role isn't entirely clear, Barclays hasn't disputed that the CRM Code applies to this payment, so I've considered it on that basis.

A firm may choose, under the CRM Code, not to reimburse a customer if it can establish that the customer made the payment without having a reasonable basis for believing that the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate. Further exceptions outlined in the CRM Code don't apply to this case.

Barclays says it can rely on an exception in the CRM Code because Miss A didn't have a reasonable basis for believing that her payment to X was legitimate. It says she didn't carry out any independent research and relied solely on what the scammer told her. Barclays also says it should have raised concerns that Miss A was asked to send the money to a personal account that didn't belong to a business or to R — the person she thought was helping her recover her funds. On the basis that Miss A's payment to X falls under the CRM Code, I too consider that one of the listed exemptions to reimbursement applies.

I appreciate Miss A was trying to recover money she had already lost to the 'investment' scam. But it appears she accepted what she was told by individuals involved in the recovery scam at face value. She told us she carried out no independent checks and she wasn't given anything to show how her funds would be recovered. Miss A also said she was introduced to R by a 'broker' online, who had originally encouraged her to invest further. This should have been a red flag. And after she raised concerns about the first set of account details she was given, R then provided a new set of details for the £1,000 'fee'. This too should have been a warning sign. There was also no plausible explanation for why the fee needed to be sent to X's personal account in any event.

I think all of these factors should have prompted Miss A to check more carefully whether the situation was genuine. As I'm not persuaded she had a reasonable basis for believing the person she was dealing with was legitimate, I'm satisfied Barclays can rely on this exception. This means it isn't required to reimburse Miss A's payment to X in full under the CRM Code.

Barclays' obligations under the CRM code

Even though I'm not persuaded that Miss A had a reasonable basis for believing her payment to X was legitimate, she could still be entitled to a partial refund if Barclays failed to meet its obligations under the CRM Code. Under the Code, if a firm identifies a potential scam risk, it must give the customer an effective warning. It must also notify the receiving bank promptly to maximise the chances of recovering any funds.

However, considering the payment value, I don't think Barclays should have identified a scam risk or issued a warning when Miss A made the payment to X. Barclays has also said that once the scam was reported, it contacted the receiving bank promptly. The receiving bank confirmed only £103 remained. And given Barclays has already refunded Miss A £500 on 29 May 2024, plus £103 that was recovered, Miss A still wouldn't be entitled to further reimbursement, even if I were to find that Barclays failed to provide an effective warning.

Prevention

The regulatory framework and good industry practice require firms, outside the CRM Code, to monitor accounts and have systems in place to identify unusual transactions that might indicate a risk of financial harm. So I would expect a firm like Barclays to take additional steps before processing payments in some circumstances.

In this case, there was probably enough for Barclays to intervene when Miss A made a large payment to her account with M on 22 April 2024, though not before that point. However, as the Investigator noted, Barclays did question Miss A about that payment. When it did so, the evidence shows that Miss A gave a misleading response — saying she was moving money to her account with M so she could send it to family abroad. This response limited Barclays' ability to provide an appropriate warning.

For me, it's also significant that by March 2024, Miss A had already contacted M to report that she'd fallen victim to an investment scam and had asked that bank to recover a payment. That earlier scam wasn't dissimilar in nature to the one considered here. In early April 2024, M queried another payment, and Miss A said she was trading but hadn't chosen a specific cryptocurrency. At that stage, M warned her about common crypto-investment scams, including being encouraged to move money to external wallets. She was told that if something sounded too good to be true, it probably was. And she was given advice on how to protect herself. These warnings should, in my view, have encouraged greater caution — but it appears the 'spell' involving B still persuaded her to send payments for 'investment'.

I also can't overlook that, in early May 2024, M provided Miss A with further warnings about crypto-investment scams. This time, Miss A was given specific alerts that B was likely a scam and the reasons why. At first, Miss A was adamant B wasn't a scam — saying "I am confirming that this isn't a scam" and "Just because business names have similarities does not make them a scam." Although Miss A then seemed to accept M's warnings that B was a scam and its warnings to stop engaging with the group involved, the scam chat evidence shows Miss A continued to engage and also attempted at least one more payment later in May 2024, before she then fell victim to the "recovery scam".

Taking everything into account, including that Barclays was misled about the purpose of the payment when it intervened and the warnings Miss A received from other sources, I'm not persuaded Barclays could have prevented what happened. So, while I'm very sorry Miss A was the victim of a scam that's affected her deeply, I can't reasonably find that Barclays should refund her losses where I think it's unlikely it could have stopped them. As for recovery, there was little Barclays could have done. The payments for 'investment' were first sent to Miss A's account with M before being moved on. If any funds remained, Miss A would have been able to access them herself,

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 23 March 2026.

Thomas Cardia
Ombudsman