

The complaint

Miss K is unhappy Barclays Bank UK PLC will not refund £29,288 that she lost as the result of a scam.

Miss K brought her complaint to this service through a representative. For ease of reading I will refer solely to Miss K in this decision.

What happened

As both parties are familiar with the details of the scam I won't repeat them here in full. In summary, Miss K fell victim to a job/task scam. She was contacted via WhatsApp and offered the opportunity to complete tasks (rating apps) to earn commission. She was told that to access the tasks she first needed to deposit cryptocurrency. When she kept having to make more payments before she could withdraw her earnings she realised she had been scammed. She made the following payments, predominantly to crypto wallets, and from there onto the scammers:

payment	date	value	to	Method
1	08/03/2024	£49	Bitget	debit card
2	08/03/2024	£380	Bitget	debit card
3	14/03/2024	£30	Moonpay	debit card
4	14/03/2024	£1,000	Moonpay	debit card
5	14/03/2024	£1,000	Moonpay	debit card
6	14/03/2024	£1,489	Moonpay	debit card
7	14/03/2024	£1,500	Coinbase	faster payment
8	14/03/2024	£2,500	Coinbase	faster payment
9	14/03/2024	£6,000	Coinbase	faster payment
10	18/03/2024	£5,000	Banxa	debit card
11	18/03/2024	£100	OKX	faster payment
12	18/03/2024	£200	Noble Digital	faster payment
13	18/03/2024	£240	OKX	faster payment
14	19/03/2024	£100	Revolut	debit card
15	19/03/2024	£500	Revolut	debit card
16	16/04/2024	£200	Coinbase	faster payment
17	16/04/2024	£4,000	Coinbase	faster payment
18	16/04/2024	£5,000	Coinbase	faster payment

In addition, between 18 March 2024 and 12 April 2024 Miss K transferred just over £67,000 from the same Barclays account to an account in her name at bank 2 that she then lost to the same scam. This loss from bank 2 was the subject of a separate complaint.

Miss K says the account activity was out of character, Barclays should have intervened. And had the bank intervened in line with industry standards, the scam would have been exposed and any further financial loss would have been prevented.

Barclays says it did intervene and spoke to Miss K on the 14 and 18 March 2024. But she was not honest with the responses she gave.

Our investigator did not uphold Miss K's complaint. He acknowledged Barclays had intervened at the stage we would have expected it to. However as Miss K did not provide honest answers, he concluded that even if Barclays had probed further it would not have uncovered and prevented the scam.

Miss K disagreed and asked for an ombudsman's review. She said, in summary, the intervention by Barclays was inadequate - more open, probing questions should have been asked. Barclays did not check the detail of her supposed crypto investment (for example - the expected returns, her understanding of the risks and the market, or how she came to her investment decision), nor did it ask who the final beneficiary would be. She thinks her answers to the questions around having made a withdrawal could have led the bank to realise her crypto wallets were not the final destination. And she says the second intervention even gave advice on how to get around the bank's fraud prevention systems. Barclays should have questioned her in a branch on 18 March 2024 and enacted the Banking Protocol.

Miss K believes if the bank had questioned her in person, with police presence if necessary, the scam would have been uncovered, since she clearly would have been unable to answer proportionate questions confidently.

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 first want to reassure Miss K that I have thought carefully about all of her comments, but in keeping with our role as an informal dispute resolution service – and as our rules allow – I will focus here on the issues I find to be material to the outcome of her complaint.

In broad terms, the starting position at law is that Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (2017) and the terms and conditions of the customer's account. There is no dispute here that Miss K authorised these payments.

However, it doesn't stop there. Taking into account relevant law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that by March 2024 Barclays should have:

- been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- had systems in place to look out for unusual transactions or other signs that might indicate that its 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 firms are generally more familiar with than the average customer;
- acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;

- in some circumstances, irrespective of the payment channel used, taken additional steps, or made additional checks, or provided additional warnings, before processing a payment; and
- 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.

To note, as the payments were to accounts in Miss K's name the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

In the circumstances of this case I do not find Barclays can be held liable for Miss K's losses. I'll explain why.

Barclays' fraud team called Miss K on 14 March 2024 after payment 8. It had subsequently declined five payments to Coinbase ranging in value from £4,015.28 to £6,000. I agree that was the right point to intervene given the value and destination of the attempted transactions.

Barclays explained to Miss K that it wanted to check she wasn't falling victim to a scam and urged her to answer its questions honestly. It asked how long she'd had the Coinbase account, whether she had retrieved funds from it, and whether there was any third-party involvement. It explained it wanted to make sure the relevant checks have been completed to satisfy both Miss K and Barclays that the payment she was making was to a legitimate investment company. And that once a transaction goes through, it's unlikely it will be able to recover the money. Satisfied with Miss K's answers Barclays then processed payment 9. But she had not been wholly honest in her answers thereby hampering Barclays' ability to identify the scam.

That said, I do agree with Miss K that the questions Barclays asked did not go far enough. Not only did it fail to ask proportionate questions about the supposed crypto investment, it also neglected to consider that payments to a crypto platform could be indicative of a number of different types of scams, not just investment scams – something it was, or ought to have been, aware of by March 2024. And so its questioning needed to try to narrow down the risk further.

However, Barclays' failure to intervene effectively does not automatically mean it is liable for Miss K's losses. I have to consider whether Miss K would have been likely to positively engage with an appropriate intervention. In the circumstances of this case I do not think a better intervention would have prevented the fraud. For Barclays to have effectively protected Miss K she would have needed to be honest with it, or to respond in such a manner (eg. reluctantly or defensively) that concerns were raised. I think this would have been unlikely and she was confident.

As bank 2 made a number of interventions when Miss K made payments from her account it holds as part of this scam I have reliable, timely evidence as to how Miss K would have most likely responded if Barclays had asked better questions.

When Miss K spoke to bank 2 on 18 March 2024 the agent said they had concerns she was falling victim to a scam. Miss K confirmed she had only recently become interested in cryptocurrency, she said the reason why was that she wanted to have her savings in different places. She confirmed that nobody was guiding her, she was a knowledgeable person, and it was something she was reading up about and had decided to do on her own. She said she understood USDT is a stable coin and she had been doing research and

monitoring it online. She explained that she understood cryptocurrency was a volatile investment and that she could afford to lose this money.

Miss K wasn't being truthful - she wasn't investing in cryptocurrency, she was purchasing crypto to make deposits to access the tasks of rating apps. She had been introduced to making these payments in crypto by the supposed employer. On the same call, the agent asked Miss K whether she was part of any WhatsApp group where she was receiving any advice around crypto. She confirmed that she wasn't. However, Miss K told us that she added to a WhatsApp group with other supposed 'employees' associated with this job.

The agent then asked Miss K if the payment was part of any job offer where she was being asked to make deposits before getting the commission in return. She said not.

So I disagree with Miss K that had Barclays intervened appropriately the scam could have been prevented. Miss K misled bank 2 about the purpose of the payment and I cannot find any evidence to conclude she would have acted any differently with Barclays. She argues she wouldn't have been able to confidently answer the questions Barclays should have asked about her planned investment.

I disagree. We would not expect a bank to interrogate its customer, rather to pick up on anything implausible or unusual. She was confident on all calls and was able to credibly explain to bank 2 which cryptocurrency she had selected and why. I think she would have provided satisfactory replies had Barclays made better enquiries and I don't think it would have uncovered the job/task scam in order to be able to provide the relevant warnings.

Barclays also called Miss K on 18 March 2024 concerned about a £500 payment she was trying to make to the crypto platform OKX. It explained it wasn't regulated and explained she would be better to select a different exchange after checking the Financial Conduct Authority's register of firms first. It refused to release that payment thus preventing that loss.

Miss K's interpretation of that call is that the bank advised her how to bypass its fraud prevention systems and she asks how can we condone this. But I disagree that the bank did this, rather it gave her advice on how to more safely use a crypto wallet by using a different exchange. There is no evidence of any intent to coach Miss K how to make payments that would not trigger its fraud systems.

It is at this stage Miss K believes she should have been asked to go to a branch and from there the Banking Protocol should have been invoked. I do not find this would have been proportionate. The fraud team's concern was with the exchange Miss K wanted to use, not with the fact she wanted to purchase cryptocurrency. There was no reason for Barclays to start a more probing conversation with Miss K about her investment plans as it stopped the payment. Even if it had done so, based on the call she had with bank 2 that same day I can't see Barclays would have prevented Miss K making any further payments to the scammer. Such was the spell they held over her that she willingly and adeptly deceived bank 2 and I have little doubt she would have done the same to Barclays.

It follows for the reasons set out above I cannot fairly hold Barclays liable for any of the payments.

I have also considered if Barclays did enough to try to recover Miss K's money once it became aware of the scam. It seems she did not report the fraud, and so the bank first became aware on 16 May 2024 when Miss K's representative raised a complaint. The payments were made to cryptocurrency exchanges, or an account in Miss K's name at an e-money provider on two occasions. Miss K then sent that cryptocurrency to the scammer. So, Barclays would not have been able to recover the funds from the accounts it credited. In

addition, for the debit card payments I don't consider that chargeback claims would have had any prospect of success given there's no dispute that the cryptocurrency exchanges provided the services they sold to Miss K as the funds appeared in her digital wallets, which she subsequently sent to the scammer.

It follows I am not instructing Barclays to refund any money to Miss K. This is a difficult decision to make, I'm sorry Miss K has lost a considerable amount of money and I can understand why she would like to be compensated for her loss. I do accept Miss K has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Barclays can be held liable in the circumstances of this case.

My final decision

I am not upholding Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 26 December 2024.

Rebecca Connelley
Ombudsman