

The complaint

Ms P, via a representative, has complained that Barclays Bank UK PLC (“Barclays”) failed to refund the money she 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, Ms P was contacted on a social media platform about a company that purported to be a crypto investment firm that I will call B.

Ms P then made around 7 payments to B. These were made by transfer to an account that Ms P held with a different provider. The funds were then sent to B.

The payments made from Ms P’s Barclays account totalled over £20,000 and took place between October and December 2023.

Ms P realised she had been scammed when she was unable to withdraw her profits without paying additional fees. Ms P asked Barclays to refund these payments, as she believes Barclays should have done more to prevent her from being scammed in the first place. Barclays did not agree with this.

One of our investigators looked into this matter and he thought that any intervention from Barclays would not have stopped the scam. He said this because he believed that Ms P was being coached by the scammer on what to say if questioned about the payments that she was making. She therefore did not uphold this complaint.

Ms P did not agree with this and therefore her 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.

In deciding what’s fair and reasonable, I am required to take into account relevant law and regulations, regulators’ rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

In broad terms, the starting position is that Barclays is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, 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 Barclays should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have 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;
- have 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, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Barclays sometimes does); and
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage 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.

Firstly, I should say that I have some doubts that Ms P has adequately demonstrated both her source of funds and her actual loss. But I don't think that affects the outcome of Ms P's complaint because, even if I were to conclude that Ms P had been the victim of a scam, I don't think that Barclays could have uncovered and prevented the scam from occurring. I say this for the following reasons.

Barclays did intervene and asked questions about the transactions that Ms P was making when she made the first transaction. This intervention seems to have happened in branch and there are limited notes as to what was asked. Based on the limited notes, I think that further questions should have been asked and also Barclays should have intervened again later on in the scam. But even if Barclays had done this, I don't think this would have stopped the scam. Ms P seems to have agreed with the scammer not to provide accurate answers as to what she was doing, to avoid her payments being stopped. Ms P has explained that the scammer told her to say, if asked, that she was buying furniture which clearly was not the case. I also note that, when asked about her payment purpose by her other account provider, Ms P said that she was buying goods and services. This demonstrates that she was willing to mislead, or at least wanted to provide vague information about what she was doing, to ensure the payments wouldn't be blocked. Also, as the funds were being sent to an account in Ms P's own name, rather than to a crypto exchange, I think that the cover story provided would have sufficed.

I note Ms P's representative indicated that if Ms P was provided with warnings for each transaction, it would have eroded her trust in the scammer. But my understanding is that her other account provider did provide many warnings saying that the payments could be a scam and despite this Ms P carried on with the transactions. So I don't think that even if Barclays had provided repeated warnings about the payments, that this would've deterred Ms P from making further payments.

Ultimately, Barclays was only required to take proportionate steps to try and protect Ms P from financial harm. Based on everything provided, I'm not persuaded she would've shared anything concerning with Barclays had it questioned her more about what she was doing.

So, taking everything into consideration, I think that Barclays should have intervened more than it did. But even if it had intervened further, I don't think the scam would have been stopped.

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

Barclays are under no obligation to refund the money under the Contingent Reimbursement Model (CRM) Code because the funds were sent to an account in Ms P's own name. So I don't think that it could have recovered the funds.

I appreciate this will likely come as a disappointment to Ms P, and I'm sorry to hear she has been the victim of a scam. However, whilst I have a great deal of sympathy for the situation that Ms P found herself in, I'm not persuaded that Barclays can fairly or reasonably be held liable for her 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 Ms P to accept or reject my decision before 26 September 2025.

Charlie Newton
Ombudsman