

The complaint

Mr F has complained, initially via a representative, that Barclays Bank UK PLC (“Barclays”) failed to refund the money he 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, Mr F was phoned by a scammer and after some time he struck up a friendship with this person. The scammer persuaded Mr F to invest in a scam investment firm that I will call B.

Mr F then made a number of payments to B from two of his current account providers. Around 9 payments were made from his Barclays account. These payments were card payments directly to two crypto exchanges. The funds were then converted into crypto and were sent on to B.

Mr F realised he had been scammed when he was unable to withdraw his profits without paying additional fees. Mr F asked Barclays to refund these payments, as he believes Barclays should have done more to prevent him 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 Mr F was being coached by the scammer on what to say if questioned about the payments that he was making. He therefore did not uphold this complaint.

Mr F did not agree with this and therefore his 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 (in this case the 2017 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.

Barclays has not provided details of its interventions or lack thereof with Mr F. I think that Barclays should have intervened later on in the scam when a payment of £4,500 was made on 2 January 2024. This is because it was the second payment in the same day and totalled over £5,000. I think that an appropriate intervention would have been for Barclays to have contacted Mr F and asked questions about the payments.

That said, I don't think that this would have stopped the scam. I say this for the following reasons.

Mr F seems to have been aware that, if he gave accurate answers as to what he was doing, his payments might be stopped. This is demonstrated by him asking the scammer what to say when payments were blocked both from Barclays and from his other bank. It is also clear that Mr F was under the spell of the scammer, as it appears he did give misleading answers to his other account provider. So, given what he'd told his other bank, even if Barclays had intervened during these transactions, I think that Mr F would have likely given similar misleading answers, so as to ensure the payments went through, regardless of any warnings from Barclays. Also, I note that when his other account provider blocked a single payment that was intended to go directly to a crypto exchange, Mr F instead sent two smaller bank transfers to his Barclays account and then sent the money on to the scammer anyway. This all leads me to conclude that even if the payments been blocked by Barclays, Mr F would have likely found a different way to send the funds to B.

Ultimately Barclays was only required to take proportionate steps to try and protect Mr F from financial harm. I'm not persuaded he would've shared anything concerning with Barclays had it questioned him more about what he was doing. So overall I think that Barclays should have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam. I've also thought about whether Barclays could have done more to recover the funds after Mr F reported the fraud.

Barclays are under no obligation to refund the money under the Contingent Reimbursement Model (CRM) Code. This is because the funds were sent to an account that Mr F controlled.

I appreciate this will likely come as a disappointment to Mr F, and I'm sorry to hear he has been the victim of a cruel scam. However, whilst I have a great deal of sympathy for the situation that Mr F found himself in, I'm not persuaded that Barclays can fairly or reasonably be held liable for his 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 Mr F to accept or reject my decision before 27 August 2025.

Charlie Newton
Ombudsman