

The complaint

Miss A complains that Barclays Bank PLC (“Barclays”) won’t refund the money she lost to a scam.

What happened

At the end of November 2023 Miss A says she was contacted by an individual who said they worked for a company that was willing to offer her a remote role. Miss A says she was looking for remote work at the time and the individual appeared to be genuine and trustworthy, so she accepted. Miss A told us the role was to complete tasks which involved optimising apps. She understood she would be paid commission for completing tasks, but she had to invest her own money first.

After this Miss A opened an account with the employer and began her ‘training’. Her account with the employer displayed her tasks, ‘earnings’ that day and her overall ‘balance’. Miss A was told she could earn money by earning commission when she completed a set of optimisation tasks and a fixed rate salary, which she could sign up to after completing three sets of optimisation tasks each day. She was told that she would need to “reset” her account with a minimum of 100 USDT cryptocurrency each time she completed a task and wanted to start again. The amount of USDT she used to reset her account determined her VIP level, commission and base salary. She was assured the USDT she put in would be paid back with commission.

In order to add money to her job account on the platform, Miss A needed to convert her money into USDT. Once the cryptocurrency had credited her accounts with the cryptocurrency platform, she sent it to cryptocurrency wallet addresses provided by the fraudsters and that cryptocurrency then appeared on her account on the fake job platform.

By 11 December 2023 Miss A had been ‘training’ with the company for a while. She says she had a large negative balance that needed to be made positive (by depositing USDT into her job account) before any withdrawals could be made from her job account.

It was in this context that Miss A used her Barclays debit card to make the three online card payments in the table below to a platform I’ll refer to as “S”. S is a platform that enables users to buy cryptocurrency.

Date	Time	Merchant Name	Amount
11/12/23	12.53	S	£2,650
11/12/23	14.08	S	£4,500
11/12/23	15.58	S	£235
		Total:	£7,385

Miss A says that she realised she'd been scammed sometime later when she was faced with a large negative balance that she didn't have the money to clear. She decided she didn't want the job anymore. She says she asked for the money she'd paid into her account to be refunded to her but was told she had to clear the negative balance before that could happen. She was asked to get money from family and friends to do so.

Miss A contacted Barclays to try to recover her money. It raised a chargeback claim but that was unsuccessful. She raised a complaint on 3 June 2024. She says Barclays shouldn't have let her make the payments to S.

Barclays said it didn't do anything wrong. It said Miss A didn't complete her due diligence before sending money to the scammer, and that it intervened as it should. Miss A remained unhappy, so she complained to the Financial Ombudsman Service.

Our investigation so far

Our investigator didn't recommend that this complaint should be upheld. He said he was satisfied that Barclays ought to have recognised that the £4,500 payment to S carried a heightened risk of financial harm from fraud because it was a large payment to a cryptocurrency platform. So he would have expected Barclays to provide Miss A with a tailored written warning about the risk of cryptocurrency fraud before it processed that payment. However, he was satisfied that Barclays went further than that. It blocked Miss A's debit card when she attempted to make each of the payments, and asked Miss A to phone it.

Our investigator said that Miss A spoke to Barclays on the phone twice on 11 December 2023. On one call Barclays asked Miss A what the payments were for. Miss A said they were for an investment and that she had full control over the cryptocurrency account. He said that on the other call Barclays provided Miss A with a lengthy warning about common scams and red flags to look out for in relation to cryptocurrency scams. But Miss A still wanted the transactions to be processed. The investigator didn't think it would have made any difference if Barclays had questioned the payments further. He said Miss A didn't mention anything about a new job, so he didn't think Barclays should have mentioned job scams to her. He said Miss A seemed to be under the scammer's spell when she spoke to Barclays as she didn't take on board the warnings she was given. Instead she said she didn't want to have to call up again to approve any future transactions picked up by the fraud team.

Miss A didn't agree with our investigator's findings. She said she felt that she was being blamed for being a victim of a scam – something she thought was very unfair. She said her health had been adversely affected by what happened. She asked for an ombudsman to review her complaint, so this complaint has been passed on 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.

I'll begin by saying I'm very sorry to hear that Miss A has been a victim of a scam. I can only imagine how upsetting this matter has been for her. However, my role in this complaint is to consider whether Barclays made a mistake here.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

The starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. I've taken that into account when deciding what's fair and reasonable in this case.

But that's not the end of the story. Taking into account the law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider by December 2023 Barclays should fairly and reasonably:

- 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);
- 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.

In this case, I need to decide whether Barclays acted fairly and reasonably in its dealings with Miss A when she made the payments, or whether it should have done more than it did.

I've considered the position carefully.

Whilst I accept Miss A is the victim of a scam, this doesn't automatically mean that Barclays should refund her. I can only ask Barclays to refund her if I conclude it should have done more to prevent the payments from being made.

Did Barclays act fairly and reasonably when it processed the payments?

As I've said above, I consider that as a matter of good practice Barclays should have been on the lookout for unusual or uncharacteristic transactions.

Barclays has told the Financial Ombudsman Service that Miss A used her debit card to make the payments at the centre of this complaint.

Barclays was suspicious of the payments from the start. It blocked Miss A's debit card after she attempted to make the first payment of £2,650 and asked her to phone it regarding the transaction. And its automated systems blocked her debit card again after this. Barclays' notes say it did that on 11 December 2023 at 13:14, 15:18, 15:44 and 16:02.

Miss A spoke to Barclays on the phone twice on 11 December 2023: at 15:26 and 16:18. I've listened to a recording of each of those phone calls.

On the first phone call between Barclays and Miss A Miss A said she was making the payment to fund her cryptocurrency account – something she'd used before. Barclays warned Miss A about common features of cryptocurrency scams and said that cryptocurrency was a risky investment. Miss A confirmed the transaction was genuine before Barclays removed the block on her card. She asked the Barclays agent about the circumstances that might cause her card to be blocked in the future. During the call Miss A tried to complete the transfer again. The card was blocked again on two occasions, and again the agent had to manually unblock it for her.

On the second call Miss A said she was making the payment to fund her account with S – something she'd funded before by using a bank account with another provider. The agent didn't appear to pick up that S was a cryptocurrency account. She asked Miss A a number of times what she bought from there/what the account was used for. Miss A wasn't clear with the agent. Eventually Miss A said she used the account to invest, and the agent went on to unblock Miss A's card.

Given the pattern of payments to S and the sums involved, my view is that when Barclays spoke to Miss A it should have asked her a series of questions designed to narrow down the type of scam risk associated with the payments she was making and go on to provide a scam warning tailored to the scam Miss A was most likely to be at risk from.

Barclays asked Miss A some questions about what the transactions were for on the first phone call on 11 December 2023 and correctly identified it going to cryptocurrency. Miss A confirmed she was trading/investing in cryptocurrency. She said she'd been trading for a while. Barclays warned Miss A about some common features of cryptocurrency scams, but it didn't go into much detail. Overall I think it's intervention on this call could have been better. Given what it had been told I think it was reasonable for Barclays to provide warnings highlighting the key features of cryptocurrency investment scams, but I don't think it went far enough.

However, I don't think any better intervention would have prevented Miss A proceeding with the payments. I say this because Miss A wasn't trading in cryptocurrency as an investment as she said she was. She was actually buying cryptocurrency in relation to her 'job/training'. So I think a better warning about cryptocurrency scams was unlikely to have resonated with her and the circumstances she found herself in

Barclays' intervention on the second phone call was less effective than the first call.. However, I don't think better intervention would have made a difference to Miss A proceeding with the second payment either. I say this because the second call was made very shortly after the first call. Miss A's circumstances hadn't changed, and again Miss A hadn't mentioned anything about a new job or training. So I'd only expect Barclays to have provided a tailored warning to the scam risk it could reasonably have identified. And for the reasons above, I'm not persuaded that another cryptocurrency related scam warning would have made a difference to Miss A's actions.

Miss A has said that if Barclays had mentioned jobs/employment scams that would have helped her uncover the scam and not lose her money. I appreciate her position on this. But Miss A didn't give Barclays any indication that was the case at the time – she didn't mention a new job, or training at any time. So, I don't think it would be fair and reasonable for me to say that Barclays should have told Miss A about jobs scams when she didn't give any indication to it that the payments were being made in connection with a new job or any sort of job training, Barclays was required to ask Miss A questions so that it could understand her circumstances and assist her appropriately, but it could only ask appropriate questions and rely on the information Miss A gave it.

In the circumstances, I can't say that Barclays was wrong to process the payments on 11 December 2023 in accordance with Miss A's instructions.

Did Barclays do enough to try to recover Miss A's money?

In this complaint Miss A used her debit card to send the payments. I can see that Barclays tried to recover Miss A's money using the relevant chargeback scheme. Unfortunately that was unsuccessful.

I'm not surprised by that. I don't consider that a chargeback would have had any real prospect of success given there's no dispute that S provided cryptocurrency to Miss A, which she subsequently sent to the fraudsters. When responding to the chargeback S confirmed the service Miss A paid for had been provided, so it said it couldn't give her the money back. So I think it was reasonable Barclays didn't pursue the chargeback any further.

In other words, I don't think Barclays needed to do any more to try and recover Miss A's money.

Overall

I realise my decision will be a significant disappointment to Miss A. I sympathise with her circumstances, and I am sorry she has fallen victim to a scam. I'm very sorry to hear about the impact of what happened on her health.

However, having considered all the evidence and arguments, for the reasons above, my decision is Barclays cannot fairly be held liable for Miss A's losses. Miss A says she feels that she is being blamed for what happened. I want to reassure her that I am not blaming her for what happened.

My final decision

For the reasons set out above, my final decision is that 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 18 April 2025.

Laura Forster
Ombudsman