

## **The complaint**

Mr P complains about Barclays Bank Plc (trading as Barclaycard) on behalf of his business 'A'.

Mr P says that he fell victim to three separate cryptocurrency investment and recovery scams and would like Barclays to refund him the money he has lost as a result.

This decision deals with payments Mr P made from his business credit card to a crypto investment scam involving 'N' and a recovery scam involving 'L'.

## **What happened**

Mr P was looking to make an investment and came across a company, N, which said it could help him make money from a crypto investment. Mr P was persuaded to invest, but unfortunately N turned out to be a scam company and he lost his money.

Soon after Mr P had been scammed by N, he found details about L, which promised to recoup losses from scams, and Mr P thought that he could use them to try and recover the funds he had lost to N.

Unfortunately, L also turned out to be a scam company, and Mr P lost even more money when he tried to recover his initial losses.

Mr P made eight payments to N and L, totalling £24,302.38, which were paid to several crypto exchanges.

Mr P complained on behalf of his business to Barclays, but it didn't uphold the complaint, so he brought his complaint to this Service.

Our Investigator looked into things but didn't think that the complaint should be upheld. Mr P asked for an Ombudsman to make a final decision on the complaint, so it has been passed to me.

## **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 have decided not to uphold this complaint. I know this will be disappointing for Mr P, so I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are 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. And I have taken that into account when deciding what's fair and reasonable in this case.

Mr P authorised the payments in question here – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Barclays should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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 Mr P when he authorised payments from A's credit card account or whether it could and should have done more before processing them.

Barclays has shown that it intervened on several of the payments that Mr P made on behalf of A and spoke with him over the phone about what he was doing.

Listening to the calls, I agree with our Investigator that there were several opportunities for Barclays to have explored the payments in more detail and not to take Mr P's answers on face value. However, for me to uphold this complaint, I would also have to think that better questioning from Barclays would have prevented A's losses – but I'm afraid that I don't think that it would have done.

I say this because on several occasions, Mr P misled Barclays about what was truly going on – he said that there was no broker advising him, and that he had conducted research on N via the Financial Conduct Authority (FCA) register and companies house – but it is clear that this was not the case as N hadn't been an appointed representative since 2003. And given that I am aware that Mr P also misled Barclays when he was making payments from his personal account, and when he took out a personal loan to fund the payments. So I am not persuaded that Mr P would have divulged further information to Barclays had it questioned him more

I am also aware that Mr P himself had doubts about what he was doing, and questioned L about its legitimacy – but despite his doubts, continued to make payments. He also continued to make payments to the scam after reporting it to Barclays. So I think that he was so invested in the scam, and recouping his losses, that he was willing to disregard his own concerns about what was really happening.

I am very sorry that Mr P has fallen victim to a scam – but this is the fault of the scammers, not Barclays – and I can't uphold this complaint when I am not persuaded that a better intervention from Barclays would have prompted Mr P to impart more information about what he was doing for it to have uncovered the scam.

### **My final decision**

I don't uphold this complaint,

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 25 April 2025.

Claire Pugh  
**Ombudsman**