

The complaint

Mr S complains Barclays Bank UK PLC ("Barclays") didn't do enough to protect him when he fell victim to two separate investment scams.

What happened

Mr S has explained he decided to invest with a company I'll refer to as R, which he now believes is a scam. He said he purchased bonds and made two payments, £15,000 on 22 October 2018 and £5,000 on 9 November 2018. Mr S explained the returns were expected after four years, but this was later increased by two years. Mr S said he didn't receive any returns, and R went into administration in December 2022.

Mr S said he made a separate unrelated investment of £10,000 in cryptocurrency in February 2022. He's explained he had a 'broker' who helped facilitate the investment which was to be short term but Mr S didn't receive any returns.

Mr S complained to Barclays and his complaint wasn't upheld. Unhappy with Barclays' response, Mr S raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn't uphold it. They didn't think R was operating a scam and said there wasn't enough evidence to show the cryptocurrency investment was scam related.

As an agreement could not be reached, the complaint has been passed to me for a final 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.

I'm sorry to disappoint Mr S further but I'm unable to uphold his complaint, for broadly the same reasons as our Investigator, I'll explain why.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Barclays is expected to process authorised payment instructions without undue delay. But they also have long-standing obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether Barclays is responsible for the loss Mr S claims to have suffered if, indeed, he has been scammed. I've therefore considered whether Mr S was a victim of a scam.

Investment in R

Whether someone has been scammed, or the matter is a civil dispute can be finely balanced. In this instance Mr S knowingly made the payments, so they are authorised push payments (APP). But for me to be satisfied someone has been the victim of an APP scam, I need evidence to show the customer has been dishonestly deceived about the purpose of

the payments at the time they were made. Having considered the evidence here, I'm not persuaded Mr S has been the victim of a scam and I think the matter is more likely a civil dispute.

Based on the evidence I've seen, I'm not persuaded that Mr S has been the victim of a scam because I've not seen enough to show he was dishonestly deceived about the purpose of the payments he made to R at the time they were made. I believe on balance R was a legitimate company, it's on Companies House and went into liquidation in 2022.

It could be said the value of the first payment meant Barclays ought to have intervened prior to processing it. However, I believe on balance had Barclays intervened it wouldn't have prevented Mr S from making the payment. I say this because neither he nor Barclays had identified sufficient cause for concern that the investment may have been anything other than legitimate at the time. I think had Barclays intervened to understand the circumstances of the payment Mr S would more likely than not have been able to provide reassurances about the investment.

I've also checked the official organisations that publish warnings about merchants that operate in the UK and abroad, to check if there were any warnings about R that ought to have triggered Barclays' fraud prevention systems. I've searched the Investor Alerts Portal of the International Organization of Securities Commissions, the international body that brings together the world's securities regulators. As well as the Financial Conduct Authority (as the UK regulator) also has its own warning list in place to share alerts and insight about merchants that have been identified as potentially being fraudulent or at risk of scamming individuals. There were no such warnings about R. So, this is another reason why I don't think the payments ought to have been automatically prevented by Barclays.

Cryptocurrency investment

It's important to see evidence that a customer has been scammed and that, for example, it isn't a case of a failed investment. It's equally important to see that a customer has lost funds as a result of the alleged scam.

In this case Mr S's evidence is mostly anecdotal, he told us he was the victim of a cryptocurrency investment scam but hasn't been able to evidence the scam, how it unfolded or the loss he says he suffered. I've seen some emails between Mr S and the 'broker', but most are from 2020 with only one being from around the time the disputed payment was made. This is an email Mr S sent in March 2022. I don't have any other communications between Mr S and the alleged scammer from when the disputed payment was made.

I'm persuaded he purchased cryptocurrency as this is supported by his bank statement, but Mr S hasn't provided any evidence from his cryptocurrency account. We need this evidence to be satisfied the payment Mr S made to his cryptocurrency account from Barclays was then moved on to the alleged scammer and lost. Without this evidence I cannot fairly conclude that the payment Mr S made has been lost due to a scam.

This is not to say I don't believe Mr S, but I do think it's reasonable for him to provide some evidence to support his version of events about the circumstances of the scam. He has given reasons as to why he can't and I have sympathy with the situation he finds himself in however, in the absence of that evidence I can't say that it would be reasonable for Barclays to be held liable for the loss he says he's suffered.

I've also thought about the Contingent Reimbursement Model which is a voluntary code Barclays is a signatory of and came into force on 28 May 2019. The code isn't relevant for

the payments made to R as they are before the code came into force and it isn't retrospective. The code also doesn't cover debit card payments or purchases of cryptocurrency and so isn't relevant for the payment made in February 2022. Additionally, the code is only relevant where a scam has taken place, and I'm not satisfied that's the case for either investment.

Barclays should protect their customers from fraud and scams – by looking out for unusual or suspicious payments and carrying out additional checks before processing them. But, as I've explained, these obligations are predicated on there having been a fraud or scam. And given I've concluded that these payments weren't made as part of a scam, these obligations don't apply here.

I'm sorry to disappoint Mr S further but it would only be fair for me to ask Barclays to refund the payments if I thought they had been lost as the result of a scam and that Barclays was responsible for it. As I'm not persuaded that this was the case, I don't think Barclays needs to do anything further.

My final decision

My final decision is that I do not uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 August 2025.

Charlotte Mulvihill
Ombudsman