

The complaint

Mr I complains about Barclays Bank UK PLC not refunding several payments he made and lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr I complains that from March 2024 he sent several payments to what he thought was a legitimate investment.

Payment 1	14 March 2024	£1,000
Payment 2	14 March 2024	£1,000
Payment 3	14 March 2024	£1,250
Payment 4	14 March 2024	£1,250
Payment 5	15 March 2024	£500
Payment 6	15 March 2024	£500
Payment 7	28 March 2024	£2,000
Payment 8	10 April 2024	£1,000
Payment 9	10 April 2024	£1,500
Payment 10	16 April 2024	£2,000
Payment 11	16 April 2024	£2,100
Payment 12	18 April 2024	£4,500
Payment 13	18 April 2024	£4,332
		£22,932.00

Mr I says he met someone on an online dating website who convinced him to invest in cryptocurrency. Mr I says he was told to pay a fee of 10% before he could withdraw any funds which he paid, the scammer then asked for additional fees, and he realised he had been scammed. So, Mr I raised a complaint with Barclays.

Barclays looked into the complaint but didn't uphold it, so Mr I brought his complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator didn't think on balance Barclays could've prevented the losses. She found Mr I was presented with warnings but also spoke to an advisor at Barclays and didn't give accurate answers to its questions.

Mr I via his representative responded to the investigator's view. In summary they didn't agree that the intervention by the Barclays advisor had been sufficient.

As Mr I didn't agree with the investigator's view, the complaint has been passed 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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations (PSR) 2017, consumers are generally liable for payments they authorise. Barclays is expected to process authorised payment instructions without undue delay. As a bank, they also have long-standing obligations to help protect customers from financial harm from fraud and scams. However, there are many payments made by customers each day and it's not realistic or reasonable to expect a bank to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments.

Although the first two payments were to cryptocurrency exchange that doesn't automatically mean they should be treated as suspicious; particularly when there are no other concerning factors about the payments. I do appreciate that many banks have made the commercial decision to prevent their customers from using their service to send money to cryptocurrency exchanges and am aware that investing in cryptocurrency is a highly risky endeavour. Despite this investing in cryptocurrency is ultimately a legitimate endeavour and certain banks and Electronic Money Institutions (EMI) do permit payments to cryptocurrency exchanges.

I also don't think there was anything about the value or frequency of the first two payments that would have indicated a heightened risk of financial harm either, as they were both of a smaller value. There was nothing that would have indicated to Barclays that Mr I was in the process of being scammed at that time. So, I'm not persuaded there was anything that ought reasonably caused Barclays any concern.

Having said that, I agree with the investigator that payment 3 combined with the two earlier payments had got to a total value that I think should've raised concerns with Barclays that Mr I might be at risk of financial harm. The total sent that day had reached £3,250 and was going to a known crypto provider.

At this point given the amount and the identifiable risk, I'm satisfied that a proportionate warning would've been an automated message asking questions to identify more about the payment purpose. Having considered what impact, I think the warning would've had if Mr I had answered the question accurately, I'm not convinced it would've stopped Mr I from making the payments he did. I'll explain why.

Barclays did intervene and speak to Mr I before he made payment 10. Mr I spoke to a fraud advisor and correctly told them he was investing in cryptocurrency - but then went on to say he hadn't been guided by anyone, wasn't being advised and had been investing for some time. All of which we now know wasn't accurate. Mr I was also given a cryptocurrency scam warning but chose to ignore it.

Unbeknown to the Barclays advisors, Mr I was in contact with the scammer who he had met through a dating app and had started a romantic relationship. The level of influence the scammer held over Mr I likely explains why he felt comfortable withholding information from the Barclays advisors. I won't go into detail about the level of interaction between Mr I and the scammer throughout the payments being made, as all parties are aware of it, but it's clear the scammer had built trust and had a considerable influence over Mr I and his actions.

From looking at Mr I's statement, I can see that he took out a loan before he sent some of the money to the scammer. The loan wasn't taken out from Barclays, so they would have known little about the purpose he gave for the borrowing. Mr I also moved a large amount of the money out to other accounts in his name, which I don't think would've raised any suspicions with Barclays. So, although some was used to send to the scammer, If Barclays had given Mr I a warning about investing money he had borrowed, I'm satisfied it's most likely he still would have wanted to go ahead with the payment based on what I've said above. I'm also not convinced that this alone was enough to prevent the payments from being made.

The consequence of Mr I's actions stopped Barclays from being able to uncover the scam or prevent his loss. Even if Barclays had asked further questions, I'm not persuaded that Mr I would have been open and honest with his answers to those either. Mr I clearly felt extremely comfortable and had built trust between himself and the scammer, and he would have most likely given answers that would have alleviated Barclays concerns.

Recovery

After the debit card payment was made, the only potential avenue for recovery of the payments would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Barclays is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to a chargeback, I generally consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

In the circumstances of this complaint, I'm satisfied that a claim would've unlikely been successful. Mr I paid a legitimate crypto exchange, and he would have received a service from the crypto exchange. Mr I's disagreement is with the scammer, not the crypto exchange. And so, it would not have been possible for Barclays to process a chargeback claim against the scammer as Mr I did not pay them directly.

So, I don't think Mr I had any reasonable prospect of success if Barclays were to have processed chargeback claims against the crypto exchange. So, I can't say that Barclays acted unfairly when it considered Mr I's chargeback claim.

The transfers Mr I made were also to other accounts in his name. As Barclays would have only been able to raise claims against where the money was sent to, and we know that money was moved on straight away to the scammer, I'm satisfied no claim would have been successful here either.

Mr I feels that Barclays should refund the money he lost due to the scam. I understand that this will have been frustrating for him. But I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Barclays needs to pay Mr I any compensation. I realise this means Mr I is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't find I can reasonably uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 6 June 2025.

Tom Wagstaff
Ombudsman