

## The complaint

Ms R complains that Barclays Bank UK PLC ('Barclays') won't refund the money she lost after falling victim to a scam.

## What happened

In December 2023, Ms R was randomly added to a group on a messaging app. Initially Ms R didn't pay attention, but later she read the messages and saw it related to investments. Ms R says she was contacted by another member of the group who asked if Ms R had also been added randomly and said their circumstances mirrored Ms R's.

Ultimately, Ms R decided to invest. Ms R says she believed she was dealing with a company who I'll refer to as T, and the investment involved cryptocurrency trading.

Ms R opened a cryptocurrency wallet with a genuine cryptocurrency exchange (who I'll refer to as C) and a trading account with T. Unfortunately, this was a scam.

These are the payments that Ms R made as part of the scam. F is the parent company linked to C, so payments to F purchased cryptocurrency which was paid into Ms R's wallet with C.

Date	Pmt	Details of transaction	Amount
9.1.2024	1	Transfer to F – a cryptocurrency exchange	£2,000
17.1.2024	2	Transfer to F – a cryptocurrency exchange	£1,500
8.3.2024		<i>Withdrawal/refund from investment</i>	<i>£215.10 cr</i>
11.4.2024		Attempted payment to F - blocked	
12.4.2024	3	Transfer to F – a cryptocurrency exchange	£9,700
18.4.2024	4	Transfer to F – a cryptocurrency exchange	£1,000
22.4.2024	5	Transfer to F – a cryptocurrency exchange	£200
22.4.2024	6	Transfer to F – a cryptocurrency exchange	£7,800
23.4.2024	7	Transfer to F – a cryptocurrency exchange	£100
23.4.2024	8	Transfer to F – a cryptocurrency exchange	£4,100
26.4.2024	9	Transfer to F – a cryptocurrency exchange	£30
26.4.2024	10	Transfer to F – a cryptocurrency exchange	£5,400
30.4.2024	11	Transfer to F – a cryptocurrency exchange	£3,250
30.4.2024	12	Transfer to F – a cryptocurrency exchange	£60
2.5.2024	13	Transfer to F – a cryptocurrency exchange	£10

When Ms R tried to withdraw her investment and the profit she'd made, she was asked to pay fees, tax and other charges.

After Ms R had paid the last fee, she was asked to make further payments and realised it was a scam. Ms R raised a fraud claim with Barclays, asking that they refund her.

Barclays declined to refund Ms R. Barclays say they intervened on some of the payments, but Ms R hadn't honestly answered their questions. So, the payments had been released based on the information Ms R gave them.

Ms R wasn't happy with Barclays' response, so she brought a complaint to our service.

An investigator looked into Ms R's complaint but didn't recommend Barclays refund her. The investigator was satisfied that Barclays should've intervened on some of the payments, which they did. But, because Ms R wasn't honest in answering their questions, Barclays didn't uncover the scam and couldn't have prevented her loss.

Ms R disagreed with the investigator's view and asked for an ombudsman to review her case. Ms R says:

- The payments were unusual and out of character for her account.
- While she didn't honestly answer all of Barclays' questions, this was because the scammer told her that banks don't like customers withdrawing their money.
- She told Barclays that she was using C and two other cryptocurrency apps. Barclays confirmed that C were a genuine cryptocurrency exchange, but should've identified that one of the other apps had negative reviews online that suggested it was a scam.
- Recently Ms R has received a warning from another bank which says anyone not listed on the Financial Conduct Authority's website is suspicious – why didn't Barclays give that warning?

### **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 really sorry to disappoint Ms R, who has lost a significant amount of money as the result of a very cruel scam. But, having carefully considered the evidence, I've reached the same answer as the investigator.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

In broad terms, the starting position in law is that Barclays is expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations (PSR's).

Barclays are a signatory to the Contingent Reimbursement Model Code (CRM Code), but it doesn't apply to this case as Ms R's payments were to purchase cryptocurrency which was paid into a wallet held in her own name. The CRM Code doesn't cover payments made between a consumer's own accounts, so I can't consider these payments under the framework of the CRM Code.

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 Barclays should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Barclays to have 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). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do.

#### Should Barclays have intervened when Ms R made these payments?

Barclays say they intervened on payments one and three, as well as an attempted payment on 11 April 2024.

Having reviewed Ms R's bank statements, I wouldn't have expected Barclays to have identified risk of financial harm until payment three. I say this as payment two wasn't out of character compared Ms R's normal account activity. However, payment three was for over £9,000, identifiably related to cryptocurrency which may carry a higher risk of fraud, and significantly higher than previous payments from Ms R's account.

I'm not satisfied that Barclays should have intervened on any later payments as, by the time Ms R made the larger payments of £7,800 and £5,400, they were being made to an existing payee and were in line with the more recent activity on her account.

While I agree that the payment three was unusual and Barclays should've intervened, I have to consider whether I'm satisfied that Barclays could've or should've prevented Ms R's loss.

#### Should Barclays have prevented Ms R's loss?

When Barclays intervened on payments one and three, it called Ms R to discuss the payments. As part of their intervention, I would've expected Barclays to ask relevant questions in relation to the payments she was attempting to make and provide an appropriate warning.

Having listened to the calls Barclays had with Ms R, I think some of the agents could've gone further with the questions they asked. But, even if they had, I'm not satisfied that Barclays would've prevented Ms R's loss. I'll explain why.

In the first call relating to payment one, Barclays tells Ms R they have some questions about the payment she is attempting to make - based on other customers who have been victims of scams. These questions include; where the funds are going, how she found out about F, and if she's using any apps. Ms R says the funds are going to F, she found out about F from T, and she is using C's app. Ms R is asked if she has done any research on T or C, and she tells them she's been using T for a "bit of time".

Ms R is asked further questions including; whether anyone assisted her in downloading any apps, whether anyone gave her advice on what to trade, if she was dealing with a specific person who worked for T, and whether anyone else had access to her wallet with F. Ms R answered all of these questions honestly.

Ms R was told she had to be cautious with cryptocurrency and was asked if she had made relevant checks that the payment was going to a legitimate investment company, and she said she had. But I would've expected Barclays to have provided a warning related to cryptocurrency investment scams, based on the answers Ms R gave.

In the subsequent call with Barclays for payment three, Ms R isn't as honest in answering their questions. Ms R was asked how long she had been trading and said for a year on and

off. When asked about what research she had done, she said the investment was referred by a friend who had completed research on the company.

Ms R was asked if the funds paid into her cryptocurrency wallet would remain there or whether they would be transferred to somewhere else, and she said they would be staying there.

When asked whether she had any conversations where she'd been coached or told to lie to the bank about the payment, she said no.

Ms R telling Barclays the investment was referred by a friend who had done research, would've reassured Barclays. As, by referring to that contact as a friend, Ms R suggested that it was someone she trusted. It didn't come out in the call that the friend was someone Ms R hadn't met in person and who had messaged her through the chat group she had randomly been added to.

Also, Ms R told Barclays she hadn't been coached in answering their questions – when she had. Being coached is very common in fraud situations. If Ms R had been honest, Barclays would've immediately uncovered the scam.

Barclays provided some warnings, but as Ms R was transferring funds to an account in her own name, these warnings weren't impactful as they focused on safe account scams – which didn't apply to Ms R's situation.

However, if Barclays had provided a cryptocurrency investment scam warning which would've been appropriate based on the information Ms R gave them, I'm not persuaded this would've prevented her loss.

I say this as a cryptocurrency investment scam warning would've highlighted the key features of these scams which includes; finding the investment through an advertisement on social media, it being endorsed by a high-profile celebrity, being asked to download screen sharing software, being promised high or guaranteed returns, and a small initial deposit which quickly increases in value.

In this case, while Ms R had been contacted via a messaging app, she hadn't seen the investment advertised online and it wasn't endorsed by a high-profile celebrity or public figure. There also isn't any evidence that Ms R was promised an unrealistic or guaranteed return. And, by the time Ms R was attempting to make payment three, she had been able to successfully withdraw a small amount from her investment – which she says added to the legitimacy of the investment. Also, Ms R believed she was investing through T, which was a genuine company.

Taking into account the level of trust Ms R put into the person who she referred to as a "friend", and that the scam involved using the name of a genuine company, T – I'm not persuaded that this warning would've resonated with Ms R or prevented her from making any further payments. Especially as when Ms R had problems with her payments being blocked, she asked for help from the scammers and trusted what they told her. So, I think it's more likely than not she would have mentioned this warning to the scammers, and they would've provided a persuasive reason why it didn't apply to her situation.

On that basis, I'm not satisfied that I can fairly say Barclays could've prevented Ms R's loss.

### The other points Ms R has raised

Ms R has referred to a recent warning she has seen when attempting to make a payment. The warning says any business not on the FCA's website is suspicious. Ms R feels this warning should've been issued when she made the payments as part of the scam.

However, when Ms R made these payments, cryptocurrency wasn't a regulated activity in the UK, so a company not being on the FCA's website wouldn't necessarily mean it was operating fraudulently. And, for the reasons given above, even if Barclays had provided a relevant warning, I'm not satisfied it would've prevented Ms R's loss.

### Recovery of funds

As Ms R's payments were used to purchase cryptocurrency, which was paid into a wallet in her name, Barclays couldn't have recovered her funds. Recovery only looks at the initial beneficiary of the funds, Ms R's cryptocurrency wallet, not the end destination being the account or wallet controlled by the scammer. So, there was nothing more that Barclays could've done to try and recover Ms R's funds.

Having carefully considered all the evidence, I'm not satisfied that I can fairly ask Barclays to refund Ms R.

### **My final decision**

My final decision is that I don't uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 22 July 2025.

Lisa Lowe  
**Ombudsman**