

The complaint

Mr W complains that Barclays Bank UK PLC won't reimburse money he lost to a scam.

What happened

In 2022, Mr W fell victim to an investment scam after seeing an advert on social media which appeared to be promoted by a celebrity. Mr W believed he would be trading commodities and stocks through a trading platform with the help of an account manager. He made payments from his Barclays account between April and June 2022.

The payments in April and May 2022 were a mix of payments – international transfers, payments to a cryptocurrency provider and a card payment.

In early June 2022, Mr W opened an account at another financial business – ("E"). He made a mix of Open Banking payments and transfers to that account from his Barclays account between 13 and 17 June 2022. In total he made 17 payments to E of which all but two were for £2,000.

After realising he'd lost his money he reported the payments made in May and April 2022 to Barclays. He also reported the payments he made from his account at E to it. He did not report the June 2022 payments made from his Barclays account.

In 2023, after both businesses declined his claims, he referred complaints about them to our service.

One of our investigators didn't uphold either complaint. They noted that both Barclays and E questioned the payments Mr W made but he hadn't given them accurate information. The investigator concluded that neither firm should have prevented his loss.

Later, in 2024 Mr W complained again to Barclays, this time about all the payments that were made to the scam. When Barclays declined his claim, he referred a complaint to our service.

Our investigator explained that we would not consider Barclays' actions in relation to the payments in April and May 2022 as they had already been considered by our service. They did however consider the payments made in June 2022. They noted that Mr W, in relation to the June payments, had given a different, and detailed explanation to Barclays – saying that they were for home improvements. They also referenced the conversations Mr W had with the bank about the earlier payments. They again concluded that Barclays hadn't made a mistake in allowing the payments to go ahead.

Mr W's representatives didn't agree. In summary they argued:

- Mr W 'unintentionally' misled the bank under the direction of the fraudsters who had access to his computer via remote access.
- Mr W was confused about a loan that had been taken out in his name and suggested

that insufficient due diligence had been carried out before it was granted.

- Mr W was 'overwhelmed and powerless' to stop the manipulation, he was vulnerable, and in a state of fear and confusion.
- It commented on the role on the alleged failings of E (who are not party to this complaint).
- The scam was highly sophisticated and Mr W placed a lot of trust in the spoofed celebrity endorsement
- The bank didn't question the unusual routing of funds through the account at E.

As no agreement could be reached the case was 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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. But taking into account regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time these payments were made, I think Barclays ought, fairly and reasonably, to have been on the lookout for out of character and unusual transactions and other indications that its customer might be at risk of financial harm from fraud.

It's first important to be clear that I will only be deciding whether Barclays are at fault for allowing the payments that took place in June 2022 to debit Mr W's account. The earlier payments have already been considered by our service as part of a separate complaint. Those earlier payments do, however, play an important part of the background to this complaint.

I'm sorry Mr W has lost out to a cruel scam and there's no dispute about that or that he was manipulated into misleading Barclays about the nature of the payments. But the crux of this matter is not whether Mr W is to blame for what happened. The question I need to consider is whether Barclays should have prevented his loss.

There's no dispute that the payments were unusual. By 15 June 2022 Barclays stopped and questioned one of the payments and spoke to Mr W before allowing it to debit his account.

These payments were going to E, rather than a cryptocurrency provider and, without being prompted, Mr W told Barclays that he was having home improvements done, that he was moving the money to E because he was treating the project like a business, that he'd like to move all the money at once and that he had people on site that needed paying urgently. It's evident to me that by June 2022 Mr W had a well-prepared cover story. And while Barclays didn't press or challenge that story to any great extent (as it had done with the payments in April and May), I don't think the risk was particularly clear and I think it could have been reasonably satisfied by what he told them.

I've also taken into account that Barclays questioned Mr W extensively about the payments in April and May 2022 and asked many pertinent questions that were directly relevant to Mr W's circumstances, including whether he was being assisted by any third parties, including a broker or someone he'd recently started talking to online and whether he'd downloaded remote access software. Mr W denied being assisted by anyone other than friends that he'd

known for a long time and was adamant that he was investing in cryptocurrency on his own. He also provided E with an explanation for a large payment he was making from that account which was not accurate and had been provided by the fraudster.

Given the gap in time between the last payment to a cryptocurrency provider and the first £2,000 payment to Mr W's account at E (just over a month), I also don't think Barclays acted unreasonably by not linking the two set of payments.

Overall, I'm afraid that I don't think that Barclays could have reasonably prevented Mr W's loss, so I can't hold it responsible.

In relation to Mr W's representatives' other points, I'd remind them that E are not party to the complaint and the loan that they refer to was paid into his account at E, rather than his Barclays account. And while I accept Mr W was manipulated into misleading Barclays about the nature of the payments, that made it very difficult for Barclays to uncover the scam or prevent his loss.

I also can't see that it could do anything to recover his funds, given that they were sent to his account at E and ultimately sent overseas.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 July 2025.

Rich Drury
Ombudsman