

The complaint

Mr V and Mrs V complain about the actions of Barclays Bank UK PLC when they lost money to a scam.

Mr V and Mrs V are being represented by a claims management company but for ease I'll only refer to Mr V in my decision.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In June 2024 Mr V was selling a car online when he was contacted by a potential buyer. After speaking with the buyer Mr V was informed about an investment opportunity by investing in crypto through a merchant. Mr V had been interested in crypto before so he researched the merchant online. He was also given documents setting out investment plans over the long term.

Mr V was out of work at the time due to a medical condition (which Barclays were unaware of at the time of the payments here). So, started to move money into his Barclays joint account that he held with Mrs V. He also made debit and credit card payments. In total at the instruction of the merchant Mr V made around £156,698.34 in payments to a crypto exchange. However, after being unable to withdraw money from the merchant in October 2024, Mr V realised he had been scammed.

Mr V contacted Barclays to ask for a refund, but it said it hadn't done anything wrong because it had stopped one of the payments on 05 September 2024 and Mr V wasn't honest about the reason for the payment. Barclays also said it wouldn't be able to recover the money from the crypto exchange as Mr V sent money to wallets in his own name before moving these funds onto the scammer. Unhappy with this response Mr V brought his complain to this service.

Our investigator didn't think the complaint should be upheld. He said that Barclay should've intervened earlier than it did when Mr V was making the payments but that this wouldn't have made a difference because Mr V was clear with Barclays that no-one else was involved in his payments to the crypto exchange and no-one had told him to lie to them. Barclays also provided investment scam warnings and that third parties would contact consumers telling them to make investments in order to make extra money. But Mr V said that no one had done that. The investigator added that there was no prospect of recovering the funds lost to the scam via chargeback and S.75 nor from the crypto exchange.

Mr V disagreed and has asked for an Ombudsman's review. He said that Barclays should've intervened earlier in the payments and asked more probing questions than it did. And if it had done so it would've become clear to Barclays that Mr V was falling victim to a scam. Mr V added that a more robust intervention would've prevented the scam and he wouldn't have lost his money.

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've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr V has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to 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.

It is common ground that Mr V authorised the scam payments of around £156,698.34. I accept that these were authorised payments even though Mr V was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr V is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Barclays to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Barclays's first obligation is to follow the instructions that Mr V provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Barclays to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Barclays to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Barclays to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

I agree with the investigator that Barclays should've stopped in earlier than it did but that – on balance – this wouldn't have likely made a difference here. I'll explain why below.

On the call recording provided by Barclays, Mr V confirmed he was investing in crypto and had been doing so for four years. He confirmed that no one else was involved in him sending money to the crypto exchange. He said no one else had helped him send the money nor set up any wallets on his accounts which he had full control over. After Barclays provided a warning about investments involving crypto with third parties, Mr V then confirmed that no one had contacted him to offer investment opportunities. He was then warned by Barclays that sometimes people are told to invest money and then find they can't withdraw their funds from third parties.

As a result of the above, I don't agree with Mr V that Barclays should've done more here. Mr V was clear in his answers to Barclays and because of him not being honest, his answers stopped Barclays from being able to uncover the scam. And because of the answers Mr V gave to Barclays on the phone, I don't think this was a case where Barclays could've

reasonably refused to make the payment or any other payment. I think, given the warnings Mr V received, he was given the time to go away and decide whether he wanted to send further funds to the scammer here. But despite Barclays warning him and mentioning the role of third parties offering investment opportunities to its customers and those customers never being able to recover their money, Mr V was happy to continue sending the funds.

I've considered whether Barclays acted reasonably when it was made aware of the scam. Having done so, I'm satisfied Barclays didn't treat Mr V unfairly by not attempting to retrieve his money from the crypto exchange because Mr V has confirmed this was sent on to the scammers as per their instructions. Nor were there any other avenues that Barclays could've been successful in retrieving Mr V funds here via chargeback or S.75 because Mr V received the service he paid for – which was the purchase of his crypto on the exchange.

I appreciate this will come as a disappointment to Mr V, and I'm sorry to hear that he has been the victim of a cruel scam. I've considered his past medical history, but I can't take that into consideration here as Barclays weren't aware of these issues. As a result, I'm not persuaded that Barclays can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V and Mrs V to accept or reject my decision before 24 March 2025.

Mark Dobson
Ombudsman