

The complaint

Mr S has complained that Barclays Bank UK PLC won't refund the money he lost after falling victim to a scam.

What happened

In 2021, Mr S's colleague introduced him to a cryptocurrency investment scheme, where a broker would supposedly run the trading account for him. However, this turned out to be a scam. Over the course of 2021 and 2022, Mr S paid around £28,000 from his Barclays account to his own account at a crypto exchange, then he sent crypto on to the scammers. But he was ultimately unable to withdraw his investment.

Back in 2021, Barclays called Mr S and questioned him about his activity. The recording is no longer available after the years that have passed. According to the notes, Mr S denied the involvement of any broker, and said he was investing based on his own research and friends' advice, and he was watching the market to see changes himself. The trading account was his own and no one else had access to it. Based on this, Barclays let the payments through.

In 2024, Mr S reported this to Barclays as a scam and complained. Barclays didn't think they were liable for Mr S's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr S's representatives asked for an ombudsman's final decision, so the complaint's 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 understand that Mr S fell victim to a scam, and so he has my sympathy. I appreciate this cannot have been an easy matter for him to face, and I appreciate why he would like his money back. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened, and who really owe Mr S his money back. But I can only look at what Barclays are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Barclays liable for Mr S's loss. I'll explain why.

It's not in dispute that Mr S authorised the payments involved. So although he didn't intend for the money to end up with scammers, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, Barclays had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Barclays should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Barclays should have done more in Mr S's case.

I'm not confident that Barclays did need to intervene here. While this did involve some large sums going to a crypto exchange, this was spread out over many months, and Mr S had actually had a number of similar or far larger high-velocity transactions in the preceding period. His representatives suggested that all his previous high-value activity must've been illegitimate payments too which should've been blocked. But that argument doesn't hold water. They've not mentioned any other scam, and the large payments were for things like premium bonds, an established stock trading platform, and a solicitor. The representatives also said Mr S had never made payments to crypto sites before, but he actually had, so this wasn't especially out of character for him. And back then, banks hadn't yet been put on quite as much notice of the risks surrounding crypto as they have in the years since. Taking everything into account, it doesn't look like Mr S's scam payments quite met the bar of being so unusual or out of character for him that Barclays strictly needed to intervene.

Further, Barclays did intervene here, and based on what we've got it looks like Mr S misled them. His representatives said Mr S must have denied the involvement of a broker because he didn't know what a broker was. But according to the call notes, Mr S also said his trading was based on his own research, his own watching of the market, and his friends' advice, rather than any other party. And he said only he was using the trading account involved. But in fact, it was the broker who was making the investment decisions, the broker who was watching the market and advising Mr S, and the broker who was running the trading account. This suggests it's most likely that Mr S was indeed misleading Barclays. And that would've made it very difficult for them to uncover this scam. Mr S's representatives also said that whatever questions Barclays asked him, he would answer positively such that he could get his money into the scammers' investment scheme as quickly as possible. Putting that all together, it doesn't seem likely that reasonable intervention would've uncovered the scam or deterred Mr S.

Lastly, I've considered what Barclays did to try to recover Mr S's money after he told them about the scam. Unfortunately, as Mr S had sent the money to his own crypto account and then sent it on, it wasn't possible for Barclays to recover the funds. And as these were payments to a crypto account in Mr S's own name, they were not covered by the CRM Code for scams. Some of these were card payments, and I've carefully considered the possibility of a chargeback. But by the time Mr S reported the matter, it was much too late to do a chargeback. And there was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against the exchange rather than the scammers; and the exchange provided the service they were supposed to. So there was no realistic prospect of success for a chargeback anyway. And there wasn't anything more that Barclays could've reasonably done to get the money back here.

So while I'm very sorry to hear about what the scammers did to Mr S, I don't think Barclays can fairly be held responsible for his loss. And so I can't fairly tell Barclays to reimburse Mr S in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 August 2025.

Adam Charles
Ombudsman