

The complaint

Mr N, who is represented, complains that Barclays Bank UK PLC won't reimburse him his loss after he was a victim of fraud.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In November 2023, Mr N began speaking with an unknown third-party about a job opportunity. The role involved completing tasks online in exchange for commission payments.

Eventually Mr N was told that he'd have to top up his account to continue carrying out tasks. He was instructed to make payments to crypto platforms and send this on to wallets outside of his control, to credit his online task portal.

Mr N's representative says that he made two payments from his Barclays account:

Payment number and date	Payment type	Amount
1. 23 November 2023	Card payment online	£120
2. 24 November 2023	Card payment online	£1,150

Mr N later discovered that he'd been victim of a fraud, so he reported the matter to Barclays via his representative.

Barclays considered Mr N's claim but decided it wasn't liable for his loss. So Mr N's representative referred the complaint to our service for an independent review.

An Investigator considered the evidence and testimony provided by both parties, but concluded Barclays weren't liable for Mr N's loss. In summary, they found that Mr N didn't have sufficient evidence to support the assertion he'd been defrauded.

The Investigator did add that even had sufficient evidence been provided to support this, Barclays weren't required to intervene in the payments. And, even had it done so, Mr N likely wouldn't have been honest regarding the purpose of those payments.

Mr N's representative disagreed. They argued that there was sufficient information to support a fraud having taken place. And they felt that Barclays ought to have intervened and provided warnings.

As Mr N's representative disagreed with the Investigator's assessment and recommendations, the matter has now 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.

Considerations

Mr N's representative has, in their submissions to both Barclays and this service, referred to the Contingent Reimbursement Model Code (the CRM Code). This was a voluntary fraud reimbursement scheme that Barclays was signed up to at the time the transactions subject to this dispute were made. And this provided victims of fraud better protection from loss of funds.

However, the CRM Code only covers certain types of payments. Card payments, and payments to a customer's own account, aren't within its scope. As the payments subject to this dispute were both card payments and payments to a crypto wallet in Mr N's name, they cannot be considered under the principles of the CRM Code.

However, in deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

There is no dispute here that Mr N authorised the transactions in question. And the starting position in law is that Mr N will be held liable for transactions he authorised in the first instance. That is due to Barclays' primary obligation to process payments in line with its customer's instructions, as set out in the Payment Services Regulations 2017.

However, taking into account the above, Barclays ought reasonably to have been on the lookout for any transactions that would indicate Mr N was at risk of financial harm. And where it identifies a risk, it ought reasonably to intervene and provide warnings.

Should Barclays have intervened in the payments?

Having considered the evidence carefully in this complaint, I'm not persuaded Barclays ought to have had sufficient concerns to have intervened in the payments.

While my intention isn't to diminish the significant loss Mr N has suffered here, I don't find that the payments were out of character when compared to Mr N's usual account activity. Nor do I find that the payments bore sufficient characteristics associated with fraud, to the extent it ought to have been concerned.

Barclays processes a large number of payments at any given time. So it has a difficult balance to strike in identifying suspicious payments against its primary obligation to process payments its customer has instructed it to without delay.

In the six-months leading up to the payments subject to this dispute, it was not uncommon for Mr N to make similar payments from his account. I can see that he regularly made card payments and transfers for not dissimilar amounts; sometimes higher in value than the ones subject to this dispute.

Mr N's representative has argued that the payments were being made to a crypto platform, and that ought to have heightened the risk associated with these payments—as frauds associated with crypto assets were prevalent at the time the payments were made.

I agree that payments made to merchants associated with the exchange of crypto assets do carry a higher risk of being associated with fraud. But not all payments to crypto exchanges are illegitimate. So while this does present as an individual risk indicator to the bank, this should be taken into consideration with all the other circumstances surrounding the payment. And having done so, this would appear to be the only risk indicator associated with it.

Overall, I don't find it a reasonable expectation for Barclays to intervene where such low indications of fraud exist.

Recovery

The payments subject to this dispute were made to a crypto exchange. And Mr N has admitted to receiving crypto assets in exchange for the payments made. He then transferred these payments on to wallets the fraudsters controlled.

For these reasons, there was no way in which Barclays could realistically recover Mr N's funds. Barclays also would have had no real prospect of recovery via the Chargeback scheme, as the crypto exchange had provided the service paid for. Barclays has also confirmed that by the time Mr N reported the fraud to it, the relevant time limits for raising such claims had elapsed.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 23 September 2025.

Stephen Westlake
Ombudsman