

The complaint

Mr A complains that Barclays Bank UK PLC won't refund several payments he says he made and lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Starting in April 2021, Mr A made 27 payments to what he thought was a legitimate investment.

When Mr A didn't get his money back, and was asked to pay several fees and taxes, he realised he had been scammed. So, he logged a complaint with Barclays.

Barclays investigated the complaint but couldn't resolve it. So, Mr A brought his complaint to our service.

However, after the complaint was raised with our service, Barclays still didn't think it needed to intervene on all the payments but agreed it could've intervened when Mr A made the payment of £3,550 (Payment 26). Barclays offered to compensate Mr A for the loss of money from this payment onwards, minus a 50% deduction, as they found Mr A was partly to blame for his losses. Mr A remained unhappy, so the complaint was passed to an investigator to decide.

Our investigator looked into the complaint and found the offer to be fair. Our investigator found Mr A hadn't carried out enough research into what he was investing in and there were multiple pieces of information widely available before and throughout the duration Mr A was sending money, documenting that what Mr A was investing in was a scam.

Mr A didn't agree with the investigator's view, 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.

Having done so, I've come to the same outcome as the investigator for largely the same reasons. I'll explain why.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to

do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In broad terms, the starting position at law is that banks such as Barclays are expected to process payments and withdrawals that a customer authorises it to make, 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 relevant law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in April 2021 that Barclays should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.
- have had 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). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer.
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Barclays sometimes does including in relation to card payments).
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

But here, having considered the amount of money sent to the scammer up until payment 26, I agree with the investigator when she's said that these payments wouldn't look sufficiently out of character given their size and reasonably wouldn't have triggered Barclays's payment checking process. The payments are also spread apart by some days and never reached an amount I think would concern Barclays or its systems.

Barclays has agreed that it should've triggered payment 26 and reached out to Mr A though. As I agree that this is the first payment I think Barclays ought to have had concerns about, I'm satisfied that I don't need to make a finding on what I think would've happened if someone from Barclays had spoken to Mr A.

I do need to make a finding on whether I think Mr A contributed to his losses though.

I've thought carefully about whether it would be fair and reasonable to hold Mr A partially responsible for the loss he has suffered. And on balance, in the individual circumstances of this case, I've decided Mr A should bear some responsibility for the loss.

Mr A decided to invest a significant amount of money over a lengthy period off a recommendation from a friend and via a group on a social media messaging service. Mr A himself has said he completed a small amount of research consisting of checking online reviews, so I think it's fair to say he really wasn't as careful as he reasonably ought to have been in these circumstances.

I've checked what would've shown on the internet from the time Mr A started investing and the first search result is a warning published by the Financial Conduct Authority (FCA). I have been unable to find any of the positive reviews Mr A has referred to in his submission.

Even if I were to be convinced that Mr A didn't need to carry out any enquiries before he started to invest in the scam, when he wasn't getting back the regular income he was promised from the investment, he should've been on notice that something wasn't right, and some basic research would've most likely taken him to various articles highlighting the scam.

Even though a similar amount of information wasn't available for the second company Mr A invested in, I find it most likely that had he established the first was a scam, he wouldn't have gone on to invest in a similar situation straight after. I can also see from the communication that Mr A had with the second scammer that he was asked to pay a 30% fee to release his profit, which is unusual for a legitimate investment company and should've raised a red flag with Mr A.

Mr A has said he wasn't sufficiently warned about the disputed payments under the CRM Code. However, whilst I appreciate that Barclays is a signatory of the CRM Code, I don't find it applies in the circumstances of this case. This is because the payments Mr A made were to his own account with a crypto exchange, therefore these payments are considered as 'me to me' payments, which aren't covered by the CRM Code. Under the code, payments must be made directly to the fraudster. For this reason, I'm satisfied the CRM Code doesn't apply in the circumstances of these payments and complaint.

I've also checked to see if Barclays could have done anything more to recover the money Mr A lost to the scam once it was notified. As Mr A sent the money to wallets in his own name recovery wouldn't be possible, as we know the money is no longer there and was sent on to the scammer.

In summary, I'm satisfied that Mr A sent a significant amount of money with little to no research. For that reason, I'm persuaded that Mr A shouldn't get the full amount of the investment back. I'm therefore satisfied that Barclays should refund 50% of the money lost from payment 26 onwards.

I haven't found any other service failings that require an additional compensation payment. Any delays I have seen with investigating the scam look to have been caused by Mr A not getting back to Barclays with information when asked.

Putting things right

For the reasons I've explained, I uphold this complaint about Barclays Bank UK PLC and instruct it to pay Mr A in line with its recommendation:

- 50% of the total payments from payment 26 (£3,550) onwards.
- Pay 8% simple interest per year on this amount from the date of loss until the date of settlement.

If Barclays is legally required to deduct tax from the interest it should send Mr A a tax deduction certificate so he can claim it back from HMRC if appropriate.

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 March 2025.

Tom Wagstaff
Ombudsman