

The complaint

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

Mr S's representative has brought this complaint on his behalf. For ease, I have referred to comments made by the representatives as though made by Mr S.

What happened

The details of this complaint are well known to both parties, so I won't repeat it all again here.

Mr S made three payments totalling £12,000 to what he thought was a cryptocurrency investment, but he later discovered to be a scam.

In summary, Mr S said he met a property investment mentor while attending a course, and they continued to communicate on social media. Mr S said he received a message from what he believed to be the mentor's new social media account where he was told of a cryptocurrency investment opportunity. Mr S said he thought he knew the person and that he could trust what he was saying, but he later discovered this was a scammer impersonating his mentor.

Our investigator didn't uphold the complaint. He thought Barclays should have intervened on the second payment Mr S made towards the scam, but he didn't think it would have been able to prevent Mr S's losses even if it did. Our investigator thought Mr S trusted the scammer and was happy to be guided by them.

Mr S didn't accept our investigator's view and asked for an ombudsman's decision. Ultimately, he thinks that had Barclays intervened he would have had a moment to pause and reconsider his actions- potentially stopping the transactions being sent all together. So, the complaint has 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 agree with the outcome our investigator reached. I know this will be disappointing to Mr S, but I'll explain my reasons why.

I appreciate that I have summarised this complaint in less detail than has been provided. And I would like to reassure Mr S that I have taken into consideration everything he and Barclays have said, but I have focussed on setting out what is key to the decision I've reached.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Barclays should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Having reviewed Mr S's account activity and the payments he made, I think Barclays should have recognised the payments were to a cryptocurrency provider and that the second payment was of a significant value such that it ought to have been concerned that Mr S might be at a greater risk of harm from fraud and for it to have intervened. I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. And I think it ought to have provided a tailored warning (whether automated or in some other form) about the risk of cryptocurrency investment scams and set out common features of this type of scam.

However, I must also consider whether a warning of this nature would have resonated with Mr S and prevented his losses, and I don't think it would. I say this because, Mr S was under the impression he was in communication with someone he had met in person, he trusted and held in high regard. When reviewing his conversations it is clear he was under the scammers spell and guided by them throughout the process. For example, Mr S sought guidance from the scammer to answer questions the cryptocurrency provider asked when he set up his account.

I also note Mr S was presented with a warning by the cryptocurrency provider which said to *"stop if: someone you met on social media is guiding you to invest in crypto [and] if someone showed you an investment website to use that you haven't heard of before"*. I find both scenarios were present in Mr S's circumstances, but as he thought he knew and could trust the person guiding him, he opted to proceed with the payments. So, I think it's likely Mr S would have taken the same actions had he been warned by Barclays.

Barclays attempted to recover Mr S's funds through the chargeback scheme, but unfortunately it was not able to. And I'm not persuaded there were any real prospects of recovering his funds, as the payments were used to buy cryptocurrency.

I appreciate that Mr S has been a victim of a cruel scam and lost out here, and I sympathise with him, but ultimately, I do not find Barclays needs to refund the money he lost.

My final decision

For the reasons I've outlined, my decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 April 2025.

Oluwatobi Balogun
Ombudsman