

The complaint

Mr M complains that Barclays Bank UK PLC will not reimburse him with the money he lost to a scam.

What happened

Mr M saw an advert on social media for a cryptocurrency investment which appeared to be endorsed by a well known public figure and other investors. Sadly the investment later turned out to be a scam. Having discussed the investment with a representative of the scammer he decided to invest and he made payments from his high street bank 'S'.

In March 2024 Mr M also made a debit card payment from his Barclays account to the scammer for an amount of £5,149.50. He later realised that he'd fallen victim to a scam when the scammer asked him to make further payments before he could withdraw his money from the investment.

Mr M complained to Barclays that it had failed to stop his card payment. Barclays said it had blocked the card payment and contacted him to discuss the risk of cryptocurrency investment scams. Mr M had answered its questions and confirmed the payment was genuine so Barclays said it wouldn't refund him.

Unhappy with the outcome, Mr M asked us to consider his complaint about Barclays. Our Investigator looked into the complaint but didn't uphold it. Our Investigator noted that Barclays had questioned Mr M about the payment but he wanted to go ahead despite the bank's warnings. Our Investigator thought that Mr M's responses to Barclays' questions weren't always accurate which limited its ability to uncover the scam, and it wasn't possible for Barclays to recover the money paid to the cryptocurrency provider.

Mr M asked for an Ombudsman's decision. He said he was adamant that Barclays should be held liable for the loss of the funds in question.

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've carefully considered Mr M's complaint about Barclays and having done so I don't uphold it. I'll explain my reasons focusing on what I consider to be the key issues.

It isn't in dispute that Mr M authorised the disputed payment. He is therefore presumed liable for the loss in the first instance. However, Barclays is aware, taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I've reviewed Mr M's account and the payment he made to the scammer. Having considered when the payment was made, its value and who it was made to, I consider Barclays

reasonably recognised that Mr M might be at risk of financial loss from fraud and so it correctly intervened.

Here, Barclays blocked Mr M's card payment to the scammer until its fraud team had spoken with him. I've reviewed the transcript of Mr M's call with Barclays' fraud team. In summary, Barclays asked Mr M what I consider to be open questions about why he was making his payment and the type of investment. In asking questions, Barclays told Mr M that its intention was to check whether Mr M was at risk of any of the current scam trends it was seeing.

Barclays' questions included:

- Whether Mr M had authorised the payment? *Mr M confirmed that he had.*
- Who was he making the payment to? *Mr M said he was making the payment to his existing cryptocurrency account with a named cryptocurrency provider.*
- Did anyone else have access to his cryptocurrency account? *Mr M said no, only he had access to the account.*
- For what reason was he making the payment? *Mr M explained he was investing in cryptocurrency, having done so a while ago without success and that he was trying to recoup his money given crypto had recently 'gone up' (in value).*
- Whether Mr M had a broker advising him? *Mr M said he didn't have a broker.*
- Whether he was being advised to move his money into cryptocurrency? *Mr M said he wasn't being advised.*
- Whether he'd had any unusual phone calls, emails or text messages relating to crypto or about the recent spike (in the value of crypto) and again whether he was being advised? *Mr M said no, he'd not been advised to move his money.*
- Whether he'd been given a false story to give the bank? *Mr M said no.*
- Barclays asked again how his investment would work and whether he'd send his money to another wallet? *Mr M said no, he invested directly in his own crypto application (app). He would transfer the money to another currency (a named cryptocurrency) and then keep it in his wallet expecting the value to go up, before moving it to his account.*
- Whether Mr M had done any research including checking whether there was protection from the Financial Conduct Authority (FCA)? *Mr M said he'd not checked this.*
- Whether he'd taken a loan for the investment or whether it was from his savings? *Mr M said the money was taken from his own funds.*

While it was asking the questions and before releasing the payment, Barclays explained the context for its questions. Barclays gave Mr M a series of warnings about cryptocurrency scams and the red flags he should be aware of – in particular, about being advised to move his money, the promise of high returns and the inherent high risk of cryptocurrency transactions. It advised him to research the investment and think carefully about taking financial advice from a qualified financial adviser.

Mr M's responses to Barclays' questions were not all open or accurate. He had been advised to move his money by a broker (the scammer) that he'd found through an advertisement on social media. He'd had detailed conversations with that 'broker' who was advising him about the cryptocurrency investment. Mr M had also said he wouldn't be sending his cryptocurrency to another account or 'wallet', but this wasn't correct. The

scammer had advised Mr M to move his money to a named wallet. And Mr M had been promised high returns, in a relatively short period of time.

Unfortunately, I think Mr M was under the spell of the scammer. But I don't consider Barclays could reasonably have broken that spell, in circumstances where Mr M had not been open and honest about his investment, including the involvement of a broker and that he was moving money to a different investment platform. Barclays did give Mr M various warnings about the risks presented by cryptocurrency scams and in particular that someone advising him to move his money would be a 'massive red flag'. I don't think Barclays could reasonably have prevented Mr M's loss.

I also don't consider Barclays could successfully have recovered the amount of the debit card payment Mr M paid to the scammer. The payment was used to purchase cryptocurrency and was credited to an account under his control. So he received the currency he'd paid for before the money was sent to the scammer.

Finally, I would like to make it clear that I do not seek to blame Mr M who had fallen victim to a cruel scam. But for the reasons I've explained, I don't think Barclays could reasonably have uncovered the scam and prevented Mr M's loss.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 October 2025.

Amanda Maycock
Ombudsman