

The complaint

Mr and Mrs B have complained Barclays Bank UK PLC won't refund several payments Mr B says he made and lost to a scam.

Mr and Mrs B are represented by a professional representative, however for ease I will just refer to Mr B throughout as it was him that made the payments.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr B fell victim to an investment scam after he saw an advertisement on a well-known online news provider – believing it to have been endorsed by two celebrities.

Once the trading account was opened, Mr B was able to deposit funds to invest and later made some small withdrawals. However, after his account gained what he believed to be a substantial profit, he attempted a large withdrawal which was unsuccessful. He subsequently then stopped receiving any response from the scammer and realised he had been scammed.

Between February and April 2024 Mr B sent more than £10,000, via a cryptocurrency exchange, to the scammer and believes Barclays should have done more to stop him from doing so. Therefore, he requested Barclays compensate him for his losses.

Barclays didn't reimburse Mr B's lost funds and so he referred his complaint to us. Our Investigator looked into things but didn't recommend the complaint be upheld. They weren't persuaded, on balance, that Barclays could have prevented Mr B from falling victim to the scam as when an intervention did occur he was not forthcoming with the details. Mr B disagreed and requested a decision.

As our Investigator couldn't resolve the matter informally, the case has been passed to me for a final decision.

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'm 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'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.

I don't doubt Mr B has been the victim of a scam here; he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean

Mr B is automatically entitled to recompense by Barclays. It would only be fair for me to tell Barclays to reimburse Mr B for his loss (or a proportion of it) if: I thought it reasonably ought to have prevented all (or some of) the payments Mr B made, or hindered the recovery of the payments Mr B made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Barclays treated Mr B fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr B's complaint. I know this will come as a disappointment to Mr B and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr B made the payments himself and the starting position is that Barclays should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr B did not intend for his money to ultimately go to fraudsters, but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to Barclays that Mr B might be at a heightened risk of financial harm due to fraud or a scam.

Barclays did intervene on 29 February 2024, when Mr B was attempting to make a payment of £5,000 to a cryptocurrency exchange. As this was a large payment identifiably being sent to cryptocurrency it was reasonable for Barclays to have been concerned. Before letting Mr B send these funds it first required him to speak with an agent via the telephone. During this conversation Mr B was informed he was being asked questions to ensure he wasn't being scammed. So, Mr B was on notice as to the level of importance of this call. However, Mr B was not forthcoming with the details that would have allowed Barclays an opportunity to uncover he was being scammed. Instead, he alleviated Barclays' concerns by confirming:

- He had been investing this way for a long time.
- He had been trading for years overall.
- No-one was helping or advising him on his investment.

- If he did need help he knew where to go.
- He was not advised of a guaranteed return.
- No-one had assisted him with setting up the account with the cryptocurrency exchange.
- He hadn't clicked or input any details into a social media advert.

These details were contrary to what had taken place and if Mr B had highlighted where he had come across this 'opportunity' and that he was being advised, it's highly likely Barclays would have uncovered the scam. The fact Mr B was willing to mislead Barclays from such an early stage highlights the level of belief he had in the investment and the scammer. But for believing it to be genuine, I've no doubt Mr B would have otherwise been forthcoming.

Mr B believes Barclays should have probed further, but I don't agree. Barclays' intervention must not amount to an interrogation and having listened to the call, the questions asked were appropriate. As per Mr B's testimony this was a sophisticated scam – and the fact he also had some withdrawals no doubt supported his belief in the legitimacy of the investment.

I think all of this would have impacted his receptiveness to being open about where he was sending his funds even had Barclays intervened further – and I've seen no evidence to suggest otherwise. It's most likely Mr B would have continued to provide Barclays with credible answers that would have reassured it of any concerns it may have had. Therefore, I'm not persuaded that Barclays would have been able to uncover the scam at any point.

I've noted Mr B has referenced decisions that he believes are close to his circumstances. However, we consider each case on its own individual merits and although he believes the circumstances of other decisions seem to be similar, there are key differences.

Therefore, although I am sorry to hear that Mr B has fallen victim to such a cruel scam, I'm not persuaded that Barclays could have prevented these losses.

Recovery

I have gone on to consider if Barclays took reasonable steps to try and recover the funds. It's important to note Mr B didn't instruct Barclays to send the money directly to the scammers. Mr B completed the transfers to his own account, before all the funds were then sent on to a wallet address provided by the scammer. Barclays would only ever have been able to attempt to recover the funds from his own account. But, if these funds had not already been transferred to the scammer, they would be in Mr B's control to access as and when he chose. Therefore, I won't be asking Barclays to do anything further.

The Contingent Reimbursement Model Code

Although Barclays has signed up to the Contingent Reimbursement Model Code, the payments Mr B made from his account aren't covered by the Code because he made the payments from his Barclays account to his other account - and not to another person. I cannot fairly and reasonably say that Barclays should have to refund payments under the Code when it doesn't apply here.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Barclays to reimburse Mr B's loss.

My final decision

My final decision is I do not uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 24 February 2026.

Lawrence Keath
Ombudsman