

The complaint

Mr H complains that Barclays Bank UL PLC won't reimburse him for payments he made to a scam.

Mr H's complaint is brought by a professional representative but for ease I will refer only to Mr H in this decision.

What happened

The detailed background to this complaint is well-known by both parties. So, I'll only provide a brief overview of some of the key events here.

In early 2021 Mr H received an invitation on social media about an investment opportunity in a merchant I'll refer to here as F. Mr H watched various videos about the investment with F and had calls with some of the team leaders involved with F. Mr H also said he completed his own research at the time. He then decided to start making payments to a crypto exchange. In total he sent around £27,255 across five payments from 21 May to 7 June 2021. He then sent a £1,000 debit card payment to another merchant, I'll refer to here as G - on 17 June 2021.

Mr H was able to make withdrawals from F totalling \$7,000 which he sent to a crypto exchange and used for legitimate purposes. But F's platform then went down suddenly and Mr H knew that something was wrong. Mr H was then introduced in early 2023 to another merchant and began making further payments to a new investment opportunity from an account he held with an Electronic Money Institute (EMI). But after he was unable to withdraw any further funds from that merchant he realised he had been scammed. So, he contacted Barclays in May 2024 to make a claim for his money. Barclays considered the claim but said it hadn't done anything wrong and wouldn't be offering Mr H a refund. Unhappy with that response Mr H brought his complaint to the Financial Ombudsman.

Our Investigator felt Barclays should've done more on the first payment towards the scam (£10,100). She said Barclays asked Mr H for a payment purpose and he selected 'Investment'. Barclays then provided an investment warning. But she said Barclays should've done more and provided a human intervention. But that this wouldn't have likely made a difference to Mr H's decision to make the payment and he would've more likely than not continued to invest.

Mr H disagreed and asked for an Ombudsman's review. He said that if Barclays had provided a better intervention this more than likely would've uncovered the scam and he wouldn't have continued to make any payments to the merchants involved.

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 decided not to uphold it. I know this is not the answer Mr H was hoping for and so this will come as a disappointment. I'm really sorry to hear about the situation he's found himself in, and I can understand why he'd want to do all he can to recover the money he lost. But I need to decide whether Revolut can fairly and reasonably be held responsible for his loss. Overall, I've decided that it can't be. I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

Barclays stopped the first payment here and provided an automatic investment scam warning to Mr H because he selected a payment reason of 'Investment'. Mr H argues Barclays should've gone further here and if it had the scam would've more than likely been uncovered. However, I don't agree and I'll explain why below.

I think it's reasonable to conclude that in the circumstances Barclays should've spoken to Mr H and asked him for the reasons he was making the payment. This was a payment for over £10,000 to a new beneficiary. So, I think it was sufficiently unusual for Barclays to ask some further questions. Given he had provided an accurate payment reason I think he would've likely told Barclays that he was investing. But I'm not satisfied any further warnings from Barclays would've made a difference.

Mr H was introduced to this investment opportunity with F through a representative. He'd been speaking to that representative since September 2020. So, roughly eight months before the first payment here. Mr H has said that he was introduced to F by the representative around May 2021 and he was happy with the research he had conducted. At the time of this research there was a warning in place on the Financial Conduct Authority's (FCA) website about F which said that F was operating without its permission, and that people should be aware of scams. So, even if Mr H had been referred to the FCA's website, (like he was by Barclays' automated warning but decided to continue with his payments) I don't think this would've changed his decision to invest. That's because by the time he had made that first payment, Mr H himself has admitted that he had built up a rapport and a level of trust with the representative. Investing wasn't new to him and there was no pressure to invest from the representative which would've provided him with reassurance.

I've also considered Mr H's behaviour when he was given negative information about F to see what I think would've more likely than not happened if Barclays had provided further warnings to him. I've noted in the chats between Mr H and the representative that there was a discussion on 08 May 2021 about F where the rep said that *"every company will have people saying it's a scam etc...It's not an investment company it's a membership scheme to the largest company in the world."* There were also discussions about withdrawals that the representative had made. And I note that at other points later on in the scam Mr H was also resistant to feedback from his family about the risks involved in the investments provided by the representative and that these negative comments were referred to the representative before Mr H was provided with reassurance that negative reviews and reports of F being a scam were nothing to be concerned about. And I note that later on in 2021, when Barclays stopped its customers from sending money to the crypto exchange Mr H was using here, he was told to open an account at an EMI to continue sending money towards the scam.

I note that in October 2021 (after the scam payments) the representative provided advice on a messaging group on how to deal with Banks such as Barclays asking questions about payments people involved in the investment were making. The message explained a scenario where another investor was purportedly trying to move money from his bank to crypto and then the scam. It discussed how the bank would ask questions to ascertain why the money was being sent and said that this person told their bank that the money was his and it was his choice if he wanted to move it into crypto. The message also mentioned questions the bank may ask about how the investment in crypto was funded, whether there was anyone else involved and that the bank would provide advice on scams. The message finished with the representative telling the investors not to back down to banks because it was their money and their decision what they could do with it.

It's for the above reasons that I'm not satisfied a crypto investment scam warning and warnings about F would've resonated with Mr H at the time of the first payment. I think he would've been confident in his own research, his trust in the representative and what he had been told about people calling F a scam. And even if I was satisfied any warning would've given something for Mr H to think about. I think it's most likely he would've reverted to the representative about the warning, who would've in turn provided further reassurances as he did when Mr H's wife had raised concerns.

Nor do I consider that Barclays should've intervened any further here. The payments didn't sufficiently increase in value or velocity for it to have been concerned. So, if it had provided a crypto investment scam warning, I don't think Barclays would've considered any later payments as reasonably suspicious enough to have intervened any further.

I've considered Mr H's points about his relationship with the representative being so close that this made him vulnerable. However, I'm not satisfied he would be considered an inexperienced investor as he had invested before. And I've not seen any further evidence to persuade me that he should be considered vulnerable at the time of the scam nor that Revolut would've reasonably been aware of any such situation.

Recovery

Mr H made payments to an account in his name at a genuine crypto exchange. He has confirmed this money was then sent to F for the investment. So, when the scam was raised there were no further funds to be recovered.

And as Mr H made a payment via debit card to G the chargeback process would be the only way for him to recover his funds. But Mr H was also outside of the timeframe to raise a chargeback as he didn't raise a claim with Barclays until more than 120 days after the payments. So, Barclays didn't treat him unfairly by not raising and pursuing a chargeback here.

As a result of the above, I'm not going to ask Barclays to do anything more here.

My final decision

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 H to accept or reject my decision before 29 July 2025.

Mark Dobson
Ombudsman

