

The complaint

Mr Z is unhappy Barclays Bank UK PLC will not refund the money he lost as the result of a scam.

What happened

As both parties are aware of the details of the scam I will not repeat them in full here. In summary, Mr Z fell victim to a job/task scam. He was contacted via WhatsApp and offered the opportunity to earn commission for carrying out digital tasks. He was told that to access the tasks he first needed to deposit cryptocurrency. On 22 June 2022 he made the following bill payments to an account he already had at a cryptocurrency exchange and from there he moved the money on to the scammer.

payment	time	value
1	19.04	£135
2	19.51	£160
3	20.12	£162
4	20.45	£435
5	21.30	£1,300

When he was told he needed to send more funds before he could withdraw any earnings he realised he had been scammed. He reported this to Barclays on 23 June 2022.

Mr Z says Barclays did not do enough to protect him and when he reported the scam it did not handle his refund claim appropriately.

Barclays accepts it failed to provide appropriate adjustments when Mr Z contacted it to ask for a refund and it didn't raise a scam claim, though this would not have resulted in a refund. It said it should have added a marker to his account to record his vulnerability. But there are no grounds for it to refund his loss as the transactions were not out of character for his account and did not need further review before processing. It offered Mr Z £150 compensation for the service failings, and he accepted this. However, as he remained unhappy that Barclays would not also cover his loss he came to our service.

Our investigator did not uphold Mr Z's complaint. She said the payments were not unusual for the account and so Barclays had not needed to intervene. She found the £150 already paid to recognise the impact of the service failings to be fair.

Mr Z disagreed with this assessment and asked for an ombudsman's review. He said, in summary, he feels his claim is being rejected as he already received the £150 payment. He knows of lots of identical cases that have been upheld by this service. He feels the bank should have intervened. He was vulnerable as he was only 18 years old and the bank did not do enough to protect him.

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.

There's no dispute that Mr Z made and authorised the payments. Mr Z knew who he was paying, and the reason why. At the stage he was making these payments, he believed he was transferring funds to his crypto account to allow him to send USDTs to access tasks as part of a job opportunity. I don't dispute Mr Z was scammed and he wasn't making payments for the reason he thought he was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017.

It's also accepted that Barclays has an obligation to follow Mr Z's instructions. So in the first instance Mr Z is presumed liable for his loss. But there are other factors that must be considered.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what was good industry practice at the time, I consider it fair and reasonable that in June 2022 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;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

To note, as the payments were made to an account in Mr Z's name, the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

In this overall context, I do not think Barclays can fairly be held liable for any of the payments. I'll explain why.

I think it was reasonable for Barclays to process these transactions as it did. I do not find they had characteristics that ought to have led Barclays to conclude Mr Z was at risk of possible financial harm. They were not to a new payee, or of such a value that additional checks ought to have been triggered.

The payments were made to a well-known, legitimate cryptocurrency exchange. And while there are known fraud risks associated with cryptocurrency, many consumers use their services to legitimately invest via such platforms. Indeed Mr Z himself had done so before from this Barclays account.

There is a balance to be struck. Banks have obligations to be alert to fraud and scams and to act in their customers' best interests. But they can't reasonably be involved in every transaction, this would cause unsustainable disruption to legitimate payments activity.

I have then considered if Barclays did what we would expect to try to recover Mr Z's money

once he reported the scam. As he had moved the money to a digital wallet he had sole control of, and from there onto the scammer, there was no reasonable prospect of Barclays being able to recover the money from the beneficiary account. So I can't say there was any failing in this regard on Barclays' part.

It follows I am not instructing Barclays to refund any money to Mr Z. I'm sorry Mr Z has lost a considerable amount of money and I can understand why he would like to be compensated for his loss. I do accept Mr Z has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Barclays can be held liable in the circumstances of this case.

Mr Z is concerned that the payment he accepted for £150 to recognise Barclays' poor service at the time he reported the scam has in some way gone against him as he has sought a refund. But I would reassure him that is not the case. The two issues are separate and the outcome of one aspect of his complaint has not impacted or influenced the other. He also referenced lots of similar complaints he is aware of where this service has ordered banks to refund losses from scams. But we review each complaint on its individual merits. And for the reasons set out above I cannot fairly hold Barclays liable here.

My final decision

I am not upholding Mr Z's complaint.

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

Rebecca Connelley
Ombudsman