

## The complaint

Ms Z complains that Barclays Bank UK PLC didn't do enough to prevent her from falling victim to a scam.

Ms Z has been represented in the complaint by a firm of solicitors.

## What happened

The background to this case is familiar to both parties, so I'll simply summarise it here.

Ms Z says she was introduced to an investment company (which I'll refer to as "S") by a colleague. She says she carried out due diligence and the results looked positive. Among other things, a professional networking site suggested to her that S was a reputable company that had been founded around a century ago.

Ms Z says her colleague sent her a link to S's website, which looked professional and genuine. She completed an enquiry form, providing her personal details. Unfortunately, she now realises that the website mimicked that of a genuine company.

Ms Z communicated with a representative of S, who she says explained the investment process in detail, and answered all her questions satisfactorily, so she signed up. She complied with the verification checks that S's representative told her she needed to do, and the need for such checks further increased her confidence in S's legitimacy, so she set up an account with S.

Ms Z has told us that she was then introduced to someone who claimed to be senior in S, who she believed would provide expert guidance through her investments. He asked her to set up an account with an online cryptocurrency exchange, which I'll refer to as "E", for payments and withdrawals. Ms Z felt she developed a strong relationship with advisers from S, discussing her personal life and developing a strong bond with one of them.

After some initial payments to S, using her account with another provider, Ms Z saw her account balance increase, and she was encouraged to invest more.

Ms Z successfully withdrew £70 from her account on 8 March 2023, after she made the first payment to the scam from her Barclays account. She says this further convinced her of S's legitimacy. In all, Ms Z made the following payments to the scam from her account with Barclays. All payments were made into her account with E.

Date	Amount
8 March 2023	£50
10 March 2023	£20,000

16 March 2023	£8,500
22 March 2023	£4,200
3 April 2023	£30,000
<b>Total</b>	<b>£62,750</b>

Ms Z has told us that after a few months, her investment value began to decrease, and she received demands for additional payments, allegedly in connection with criminal activity on her trading account. She made several further payments, in order to allow the release of her funds. But she realised she'd been scammed when her access to the platform was cut off and S ceased all contact.

Ms Z says she believes Barclays missed a clear opportunity to protect her from grave financial harm, even though all the payments had "*clear scam red flags*". She says it failed to intervene effectively and ask her probing enough questions about why she was sending high-value payments to a payee linked to cryptocurrency, which she says is "*extremely unusual financial activity*". And she says Barclays didn't provide her with an effective or impactful scam warning, which would have allowed her to realise she was being scammed. She says "*If I had any inclination that this was a scam I would not have gone through with the payments*", and that if Barclays had warned her of the risk that she was falling victim to a scam, she wouldn't have gone ahead.

Ms Z's representatives have told us, in summary, that:

- Ms Z was unaware of the true prevalence of investment scams. Barclays failed to prevent the scam by making Ms Z aware that investment scams were rife, and advising her of the common hallmarks of such scams, including the fact that consumers would buy crypto with a legitimate merchant before moving it on to the scammer.
- Barclays should have asked Ms Z probing questions to fully understand the contact behind the unusual financial activity on her account.
- If Barclays had asked Ms Z what the payments were for and some basic context about them, it's likely that she'd have explained what she was doing, and "*would have had no reason to hide the fact that [she] had been talking to, and acting under the instructions of, a cryptocurrency trader*".
- They acknowledge that Barclays phoned Ms Z before making each payment, but they say it simply asked, on each occasion, whether she'd like to authorise the payment.
- Falling victim to the scam has had a very significant impact on Ms Z, both financially and emotionally.
- Ms Z would accept reimbursement of the money lost, with interest at 8% and £300 compensation in settlement of the complaint.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, she thought Barclays had done all that it could reasonably have been expected to do in the circumstances and had intervened proportionately where appropriate. She didn't think it was at fault for processing the payments, or that it should have done more to recover the money.

Ms Z disagreed with the investigator's view, so the complaint was passed to me.

### *My provisional findings*

After considering all the evidence, I issued a provisional decision on this complaint to Ms Z and to Barclays on 20 March 2025. I said:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*In doing so, I'm required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice and, where appropriate, what I consider to have been good industry practice at the time.*

*In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make. And it's not in dispute that Ms Z made the payments here. So while I recognise she didn't intend the money to ultimately go to scammers, she did authorise the payments. And so she isn't automatically entitled to a refund.*

*The regulatory landscape, along with good industry practice, also sets out requirements for banks to protect their customers from fraud and financial harm. In line with this, I think it would have been fair and reasonable to expect Barclays to:*

- 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 account providers are generally more familiar with than the average customer; and*
- in some circumstances, irrespective of the payment channel used, have taken additional steps, made additional checks, or provided additional warnings, before processing a payment, to help protect customers from the possibility of financial harm from fraud.*

*In this case, Barclays did ask Ms Z some questions before making the payments. But I need to consider whether it did enough, and, if not, whether it's likely that proportionate intervention on Barclays' part would have prevented Ms Z's loss.*

*It isn't in dispute that Ms Z authorised the payments, which she made by bank transfer. And I think it's important to underline here that the payments Ms Z made to E weren't scam payments themselves. Rather, they were for the genuine purchase of cryptocurrency. The scam happened further along the line, when the genuine currency was moved into S's wallet.*

*However, I consider that by the end of 2022, it would have been fair and reasonable to expect Barclays to recognise that its customers could be at an increased risk of fraud when using its services to buy cryptocurrency, notwithstanding that the payment would often be made to a cryptocurrency wallet in the consumer's own name. With that in mind, I think Barclays ought to have recognised that Ms Z was at risk of financial harm from fraud when she purchased £20,000-worth of cryptocurrency using her Barclays account on 10 March 2023.*

*As it is, Barclays does appear to have been alive to the possibility that Ms Z was being scammed, and it did take some action. After the £50 payment Ms Z made on 8 March 2023, Barclays suggested that she check that she could withdraw money from her cryptocurrency wallet before making any further payments to that payee. It then stopped each of the payments from 10 March onwards, and asked Ms Z some questions. Contrary to what Ms Z's representatives have said, these weren't simply limited to asking her whether she was happy to proceed. Barclays asked Ms Z a number of questions about such things as what had prompted her to invest, how long she'd been investing, how she'd got the payee's details and the research she'd done into the payee. On each occasion, it then asked the same four standard security questions before allowing the payment to be made.*

*I've listened to each of the calls Barclays had with Ms Z before releasing the payments. Having done so, while I recognise that Barclays did take some action to try to minimise the risk of Ms Z falling victim to a scam, I'm not satisfied, that the intervention went far enough in the circumstances.*

*Much of Barclays's questioning revolved around the purchase of the cryptocurrency. As I've commented above, that purchase itself was a genuine transaction. The payment was made to a genuine cryptocurrency exchange, and Ms Z received the cryptocurrency she'd bought. Barclays explained to Ms Z that often in cryptocurrency investment scams, the account holder has no difficulty making payments to the scam, but subsequently finds that they can't withdraw money. However, I'm not satisfied that it went into enough detail about how the scammer in this type of situation typically manipulates the victim. I accept that Barclays did ask Ms Z whether any broker or third party was involved, and she repeatedly replied that there wasn't. But it didn't underline sufficiently that influence or direction from a third party is often a key feature of crypto investment scams, or explain how that typically works.*

*Even though I think Barclays could have done more here, that's not the end of the story. I need to consider whether more detailed questions and warnings on Barclays' part would have prevented Ms Z's loss. And I'm not persuaded that it would. I'll explain why.*

*Where the evidence is incomplete, inconclusive or contradictory, I need to reach my decision on the balance of probabilities – in other words, what I think is more likely to have happened, in the light of the information available.*

*Ms Z has told us she was, in fact, being advised by S about the investments. She'd made payments to the scam from her account with another provider earlier in March 2023, and she resumed those after the final payment she made to the scam from her Barclays account. Ms Z has brought a separate complaint to this service about the other provider, and I've considered the messages she had with S during the entire period she was making payments to the scam.*

*When the other provider questioned Ms Z about the payments, she was sharing details of what she'd been asked, and S was telling her what to say – a process sometimes referred to as "coaching". She then repeated what S had told her to say, word for word, in her online chats with the other provider.*

*I think it most likely, on balance, that if Barclays had asked Ms Z more probing questions about any third-party involvement, as I think it should have done, she'd have sought guidance from S about how to answer, and would then have answered as it told her to. I'm mindful of the fact that, as it was, Ms Z repeatedly told Barclays that no broker or third party was involved – an assertion she'd have known wasn't true. And I think it most likely she answered as she did because she was being coached by S.*

*So taking everything into account, I think it's unlikely that better intervention from Barclays would have prevented Ms Z's loss.*

*In response to the investigator's view, Ms Z told us that she believes that Barclays should have probed further when she told it she'd "only managed to withdraw £50". But that wasn't how she put it. There was no suggestion that she'd tried, or wanted, to withdraw a higher amount. She simply told Barclays that she'd withdrawn £70 and the withdrawal had been immediate and problem-free. I don't think there was anything about this, in itself, that should have made Barclays concerned. Nor do I think it was unreasonable of it not to suggest that Ms Z try to withdraw a larger sum. So this doesn't change my conclusion.*

*I've thought about whether Barclays could have done more to recover the money that Ms Z lost after she reported the scam. But E was a legitimate cryptocurrency exchange. Given that it provided crypto in exchange for the money that Ms Z paid (which she then transferred to S), I can't see any basis on which Barclays could have sought to recover the money.*

*I'm sorry that my decision will come as a disappointment to Ms Z. I have considerable sympathy for her. She's suffered a significant loss, and I realise that this will have had a profound effect on her. I'd like to reassure her that I'm not placing blame on her for what happened. Sadly, she's been the victim of a cruel scam. But it would only be fair of me to require Barclays to refund her loss if I thought it was responsible for that loss. In this case I don't consider that I can fairly say that it was. So it follows that I can't reasonably uphold this complaint."*

And I said that my provisional decision was that I didn't uphold the complaint.

#### *Further submissions*

Barclays hasn't provided any further comments or evidence. But Ms Z's representatives have told us that she doesn't accept my provisional decision.

They say, in summary, that there's an important difference between the conversations that Ms Z had with Barclays and those that she had with the other provider, which I referred to in my provisional decision. The difference is that Ms Z communicated with Barclays by phone, whereas her chats with the other provider were online.

Ms Z's representatives argue, in summary, that it would have been harder for Ms Z to conceal the coaching that she was receiving from the scammer in the context of a phone call than it would have been in an online chat. They say that if Barclays had asked more probing questions, Ms Z would have been unable to seek guidance from the scammers without Barclays realising. They say that she'd either have been unable to answer Barclays' questions satisfactorily, or she'd have tried to ask the scammers for guidance. And if she'd done that, there'd have been long pauses, while Ms Z sought the scammer's advice before answering.

They believe that Barclays would then have realised that Ms Z was being assisted in her answers, and that she wasn't being truthful. So they say Barclays should have refused to make the payments.

#### **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.

As I mentioned in my provisional decision, I've listened carefully to the recordings of the phone calls between Ms Z and Barclays. In all those calls, Ms Z responded to Barclays' questions very confidently and without hesitation. And she repeatedly told Barclays that no broker or third party was involved in her investments, which she'd have been aware wasn't true.

I acknowledge that I can't be sure what would have happened if Barclays had pushed further, and had given Ms Z more detailed information about how scams such as the one she fell victim to typically work. And I accept that it's possible that she'd have realised that the apparent investment opportunity was a scam and would have decided not to make the payments.

But as I said in my provisional decision, where the evidence is incomplete, inconclusive or contradictory, I have to decide what I think would more likely than not have happened, based on the available evidence, if Barclays had done all that I think it should have done.

I take on board the point made by Ms Z's representatives that it would have been harder over the phone than in an online chat to conceal any coaching that was going on. But based on the available evidence, I think that Ms Z had a high level of confidence in the scam, which was highly sophisticated. I remain of the view that it's likely that she had been coached by the scammer before she made the payments, and that this accounts, at least in part, for her confident manner on the phone. I also think it likely contributed to her lack of hesitation in answering the questions Barclays did ask, and her willingness to conceal the involvement of a third party.

Although it didn't go as far as I think it should have done, Barclays did press Ms Z repeatedly about the payments. And there's no obvious sign that she was consulting the scammer there and then before answering those questions. Taking everything into account, I'm not convinced, on balance, that if Barclays had questioned and warned Ms Z to the degree that it should have done, she'd have decided against making the payments.

What's more, I think it more likely than not that even if Barclays had gone further and blocked the payments - as Ms Z's representatives maintain it should have done - or even frozen Ms Z's accounts, she'd more likely than not have found another way to make the payments. A few weeks after the final payment she made to the scam from her Barclays account, she resumed making substantial payments to it from her account with the other provider.

I'm sorry that Ms Z has lost a significant amount of money. This isn't a decision I've made lightly, and I acknowledge that it's finely balanced. But for the reasons I've set out, I don't consider that Barclays, which had no involvement in the scam itself, can fairly be held liable for her losses.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Z to accept or reject my decision before 14 May 2025.

Juliet Collins  
**Ombudsman**