

The complaint

Mr C has complained that Barclays Bank UK PLC won't refund money he lost to a scam.

What happened

Prior to the scam commencing Mr C said he lost his job therefore he was looking for an investment opportunity to help him support his family. Mr C says he then received a message regarding an investment opportunity which convinced him to invest, so Mr C opened a cryptocurrency wallet with a cryptocurrency exchange. Early on Mr C says he earned a 20% 'profit', which made him trust the scammers and so he wanted to continue 'investing'.

Mr C says the scammers coached him through each step, which again, persuaded him that they were professionals. However, towards the end of the scam the scammers told Mr C that he was required to pay £4,000 to cover taxes, in order for him to invest. So, Mr C asked a friend to lend him the money, it was at this point he realised he had been scammed, as his friend told him so. The transactions Mr C made are as follows:

Date	To	Payment Type	Amount
2/02/2024	Account A	Transfer	£1,153.00
24/02/2024	Account B	Transfer	£2,000
27/02/2024	Cryptocurrency Exchange	Debit Card	£2,000

Barclays has said that the funds were sent to accounts in Mr C's own name, one of which was an established account which Mr C regularly transferred to. The second, was a newly opened account. Mr C also made a card payment to a cryptocurrency exchange. Barclays didn't refund Mr C's transactions as it didn't feel it had done anything wrong authorising the payments. Mr C remained unhappy and brought his complaint to our service.

Our investigator looked into his concerns but didn't recommend the complaint be upheld. Therefore, Mr C asked for the complaint to be passed to me to consider.

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 agree with the investigator's findings for broadly the same reasons. I will explain why.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. It isn't disputed that Mr C knowingly made the payments from his account and so, I'm satisfied he authorised them. Therefore, under the

Payment Services Regulations 2017 and the terms of his account, Barclays are expected to process Mr C's requests, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Barclays to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

The question then arises whether Barclays ought reasonably to have held such suspicions or concerns in relation to the payments - and if so, what might've been expected from a proportionate intervention at that time.

So, taking all of this into account, I need to decide if Barclays acted fairly and reasonably in their dealings with Mr C when he made the payments. Specifically, whether it should've done more than they did before processing them. I also need to decide if Barclays could've reasonably recovered the lost funds.

Bearing this in mind, and having considered the circumstances of this case, I'm satisfied it wouldn't be reasonable to expect Barclays' systems to have been triggered by payment one. I say this because, the amount in question was for £1,153. So, the amount was neither remarkably large or significantly uncharacteristic of Mr C's usual spending.

I have also considered the retailer the payments were made to; and there were no suspicious circumstances surrounding this either. Consequently, I don't think B could reasonably have known that these payments were subject of a scam. The payments were not significant enough to have triggered its systems; nor were there sufficient grounds to justify delaying the payments. Having looked at Mr C's previous account activity I can see he had made payments of around £1,000 to £1,500 to this account previously in the months prior to the scam commencing. So, the payment of £1,153 was in line with this usual account activity. Secondly the account the money was transferred to was an account in Mr C's own name. Again, I can see he regularly made payments to this account. Bearing this in mind, I'm satisfied it wouldn't be reasonable to expect Barclays systems to have been triggered by the payment in dispute.

Payment two was made roughly 22 days after the first payment, and while it was transferred to a new account, this was still an account in Mr C's own name and therefore under his control. Again, while the payment value had increased slightly, I am satisfied that the amount wasn't significantly uncharacteristic of Mr C's usually account activity. While I accept that the amount of money Mr C sent is clearly significant to him, this doesn't in itself suggest a heightened risk of fraud. So, again I am not persuaded this would have stood out as unusual or suspicious and I don't think Barclays could reasonably have known that these payments were subject of a scam. The payments were not significant enough to have triggered its systems; nor were there sufficient grounds to justify delaying the payments.

On 27 February 2024, Mr C made the debit card payment to a cryptocurrency exchange. While I accept Mr C's representative has said by that time, Cryptocurrency related scams were well known and banks ought to have considered cryptocurrency payments as posing a greater risk, we also have to take other considerations into account. Again, the value of the transaction wasn't remarkably high. There wasn't a clear pattern of fraud emerging on the account, due to the time between payments, payment methods, and the destination of the funds. While crypto providers are sometimes used for this purpose, they're also used by many individuals to invest in crypto legitimately. Because of this, I wouldn't necessarily have expected Barclays to have carried out additional checks before processing the payments simply because they were going to a crypto merchant. But rather, I would expect them to take steps to protect customers that are proportionate to the identifiable risk. I have to bear

in mind that if banks such as Barclays were to be expected to intervene with every payment of a similar size to the ones being disputed here -and to crypto wallets in a consumer's own name - it could risk grinding the banking system to a halt.

I have gone on to consider if Barclays took reasonable steps to try and recover the funds once it was made aware. Mr C didn't make the payments to the scammer directly, he transferred his funds to accounts in his own name. If these funds had not already been transferred to the scammer by Mr C they would be in his control to access as and when he chose. Barclays would not have been able to attempt to retrieve the funds from the scammer directly as that is not where the funds were originally sent to.

In regards to the final payment which was made by debit Card, the chargeback process is relevant here. The chargeback scheme is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law.

A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the merchant or merchant acquirer can defend a chargeback if it doesn't agree with the request. Unfortunately, the chargeback rules don't cover scams. We would only expect Barclays to raise a chargeback if it was likely to be successful. Based on the available evidence this does not look like a claim that would have been successful.

In summary, I know that Mr C will be disappointed with this outcome. Not least because the matter has been ongoing for some time. I fully acknowledge this was a cruel scam and despite my natural sympathy for the situation in which Mr C finds himself in, for the reasons given, it wouldn't be fair of me to hold Barclays responsible for his loss.

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 C to accept or reject my decision before 23 October 2025.

Jade Rowe
Ombudsman