

The complaint

K complains that Barclays Bank PLC (Barclays) is refusing to refund it the amount it says was lost as the result of a scam.

K is being represented by a third party. To keep things simple, I will refer to K throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, K tells us it was introduced to an investment opportunity with a company I will call "X" by an acquaintance. K made multiple payments to purchase "Nodes" with the expectation of receiving a 10% monthly return. K expected the investment to continue for 2-3 years with his investment amount being paid back within 10-15 months.

K explained that the terms of the reward changed suddenly. The Nodes initially produce unlimited rewards, but this changed and the rewards per Node were capped making the investment non-viable. The price of the token also fell significantly meaning no further profits could be made.

K says these changes evidence that X was operating a scam.

K has disputed the following payments:

Payment	Date	Payee	Payment Method	Amount
1	8 November 2021	Banxa	Transfer	£100
2	8 November 2021	Banxa	Transfer	£150
3	8 November 2021	Banxa	Transfer	£11,600
4	9 November 2021	Banxa	Transfer	£125
5	15 November 2021	Banxa	Transfer	£5,650
6	24 November 2021	Banxa	Transfer	£4,635
7	24 November 2021	Banxa	Transfer	£14,000
	25 November 2021	Banxa		£14,000cr
	4 January 2022	Payward Ltd Kraken		£48.05cr
	4 January 2022	Payward Ltd Kraken		£148.05cr
	4 January 2022	Payward Ltd Kraken		£7,065.41cr

Our Investigator considered K's complaint and didn't think it should be upheld. K disagreed, so this complaint has been passed to me to decide.

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.

The evidence provided by both K and Barclays sets out what happened. What is in dispute is whether Barclays should refund the payments K has disputed.

Recovering the payments K made

K made payments into the scam via transfer. When payments are made by transfer Barclays has limited options available to it to seek recovery.

K made payments to a legitimate cryptocurrency exchange in exchange for cryptocurrency. As it took further steps for those funds to end up in the hands of X any attempts to recover the funds would have no prospects of success.

Should Barclays have reasonably prevented the payments K made?

It has been accepted that K authorised the payments that were made from its account with Barclays. So, the starting point here is that K is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

With this in mind, I have considered whether there is enough evidence to show X was operating a scam at the time K made the disputed payments.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk investments that resulted in disappointing returns or losses.

Certain high-risk investment traders may have promoted these products using sales methods that were arguably unethical and/or misleading. However, whilst customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself, or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

In simpler terms, some merchants may have used sales and promotional methods that could be seen to be unfair by consumers considering the losses they've incurred – but this does not always amount to fraud.

While K has explained why it thinks X was operating a scam, I have not been provided with sufficient evidence that proves X was in fact operating a scam. I have also looked online and checked for any information that may be recorded on the regulator's website to support K's view that X was operating a scam, and while there is some information available (generally individuals views), there is not enough available to say X was indeed operating a scam.

The fact that K also received a substantial payment from the investment is also not a typical sign of a scam.

Even if I was to say K experienced a scam (which I'm not), I would not ask Barclays to refund the payments K has disputed.

In the event of a scam, I would have expected Barclays to intervene when K made payment 3 considering it was for a substantial value.

Although this payment was being made to a cryptocurrency exchange, at the time it was made cryptocurrency related scams were not as prevalent as they have been in more recent times. Had Barclays intervened and K had been honest about the purpose of the payment I would have expected Barclays, to at most, have warned K about a potential scam, and encouraged K to carry out further research about X before making the payment.

Had K done this, as I have, I don't think it would have found any information that would likely have caused it to have concerns that it was being scammed, and it is likely it would have continued to make the payments that have been disputed.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask K to accept or reject my decision before 18 July 2025.

Terry Woodham
Ombudsman