

The complaint

Miss B complains about Barclays Bank UK PLC.

She says that Barclays failed to protect her when she fell victim to a cryptocurrency investment scam and would like Barclays to refund her the money she has lost.

What happened

Miss B made contact with the scammer on social media. She was promised high returns on an investment with crypto and received instructions on how to invest using her own crypto account, from which the funds were ultimately lost to the scammer.

Between August and September 2021, Miss B made 22 payments to the scam, totalling £60,024.97.

She realised that she had fallen victim to a scam when she tried to make a withdrawal from her supposed investment but was told that she needed to pay a further £10,000 to access her money.

In March 2022, she made contact with Barclays to explain that she had been the victim of a scam, and Barclays began to investigate. However, it asked Miss B for more information about what happened but received no response.

Miss B then brought her complaint to this Service. Our Investigator looked into things, but didn't think that her complaint should be upheld. They said that while it was clear that Miss B had fallen victim to a scam, and that Barclays should have intervened sooner, they weren't persuaded that an earlier intervention would have made a difference or prevented Miss B's losses.

Miss B asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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 this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Miss B, so I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Miss B authorised the payments in question here – so even though she was tricked into

doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Barclays should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and 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.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Barclays acted fairly and reasonably in its dealings with Miss B when she authorised payments from her account or whether it could and should have done more before processing them.

Looking at the payments Miss B made, I think that Barclays should have had concerns about what was going on from the fifth payment onwards – the payments she was making were increasing in value and frequency, and by the time payment five had been made, Miss B had paid out over £7,000 to crypto in the same day. So, while I am aware that crypto warnings weren't in place at this point, I think Barclays should have provided Miss B with some kind of warning. And by the time Miss B made her sixth payment, the amount she had spent on crypto had risen to over £10,000 – so I think that Barclays should have got in touch with her on the phone to discuss things further.

However, in order for me to uphold this complaint, I would have to think that an earlier intervention from Barclays would have prevented the losses that Miss B suffered, and I'm afraid that I don't think that it would.

Barclays blocked several payments Miss B made, but she lowered the amounts of the transactions to ensure that they would go through, and sued other bank accounts to continue making payments – it also spoke with her over the phone and in branch about what she was doing – going as far as to invoke the banking protocol, where the police were asked to speak

with Miss B about what she was doing.

I am also aware that Miss B was warned by Barclays in December 2021 that she was falling victim to a scam, but she continued to make payments from her account with R.

So, I'm afraid that I don't think that an earlier intervention from Barclays would have made a difference to Miss B's losses.

Miss B has explained that she was particularly vulnerable to the scam, as she used BSL to communicate. But I haven't seen anything to suggest that Barclays was aware of this at the time that the scam was taking place – or that this made her particularly vulnerable to the scam that she unfortunately fell victim to.

I am very sorry for the situation Miss B now finds herself in but ultimately the loss she has suffered is the fault of the scammer, not Barclays. And I can't ask it to refund her when I don't think that it would have been able to prevent the scam, even though it didn't do all that it should.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 9 July 2025.

Claire Pugh
Ombudsman