

The complaint

Mr N complains that Barclays Bank UK PLC won't refund money he lost when he was a victim of a crypto investment scam.

Mr N is represented by a firm I'll refer to as 'C'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr N fell victim to an investment scam in 2023. As part of the scam, he made about ten payments to a legitimate crypto provider totalling £16,700. The funds were then forwarded to the scammer's trading platform. Mr N realised he'd been scammed when, after paying withdrawal fees, he was told further fees had to be paid before the scammer ceased all contact with him. He also found that the scammer had changed their profile picture to another person and their profile name.

C complained to Barclays, on Mr N's behalf, on 8 July 2024. They said Barclays didn't do enough to protect Mr N from the scam. And to settle the complaint, they wanted Mr N to be refunded in full, along with 8% interest and £300 compensation paid.

Barclays didn't uphold the complaint. They said the payments weren't covered by the Contingent Reimbursement Model (CRM) code. And that, despite reaching out to C requesting further information to evidence the scam, this hadn't been received. Barclays did accept they could've done more to protect Mr N from the scam by having a more in-depth conversation about the payments he was making. But they didn't think Mr N did enough to protect himself either – as he didn't do enough due diligence on the scam firm or the person he was dealing with (having received unsolicited contact on WhatsApp). Because of this, they thought they'd acted fairly in the circumstances and wouldn't be providing a refund.

The complaint was referred to the Financial Ombudsman. Our Investigator thought it should be upheld in part. They said Barclays ought to have carried out additional checks before processing the payments and, if they had, the scam would've been uncovered and Mr N's loss prevented. Our Investigator however thought Mr N should take some responsibility for his loss too. And so, they recommended Barclays refund 50% along with paying 8% interest for the time Mr N has been without the funds.

Barclays agreed to refund 50% of the disputed payments (£8,350) and pay 8% interest. But they thought the interest should only be applied to the date of our Investigator's view (24 January 2025). This is because they considered Mr N's failure to provide information they requested to evidence the scam caused delays, and so it would be fair to pay it up to this point.

C confirmed Mr N's disagreement with our Investigator, as they didn't think the split should be 50% between both parties. In short, they said:

- Mr N's age, as per FCA guidance, meant he was more likely to be vulnerable to falling victim to a scam. So, Barclays should've made extra efforts to prevent this.
- Mr N showed no signs of misleading Barclays and so, if they'd intervened the scam would've been uncovered. Barclays should've enacted Banking Protocol too.
- The scam has impacted Mr N greatly – both emotionally and financially.

Our Investigator considered the additional points raised, but their position remained the same. They remained of the view that, while age can be a contributing factor, this doesn't negate Mr N's role in what happened. And they thought he should still take some responsibility for his loss.

C confirmed that Mr N wished for his complaint to be reviewed by an Ombudsman. They explained that Mr N believed he should receive a full refund, as the amounts he was transferring were too high not to raise concerns with Barclays. Because of this, his payments warranted a greater level of intervention from Barclays. So, Barclays should be held more than 50% liable for failing to prevent the scam.

The matter 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.

I'm very sorry Mr N has lost a significant amount of money. But I must consider whether Barclays is responsible for the full loss he's suffered. Having done so, and while I realise this isn't the outcome Mr N is hoping for, for similar reasons as our Investigator, I think a 50% refund of Mr N's loss is fair in the circumstances. I'll explain why.

Before I do, I want to reassure Mr N that I've considered everything C has submitted on his behalf. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed, it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being what amount (if any) of Mr N's loss Barclays should be held responsible for.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. Here, it isn't disputed that Mr N knowingly made the payments from his Barclays 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 N's payments, 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.

So, the starting point here is whether the instructions given by Mr N to Barclays (either individually or collectively) were unusual enough to have expected additional checks being carried out before the payments were processed.

Having reviewed Mr N's prior six month's account usage, he typically used his account for

low value day to day transactions. So, the first disputed payment – of £3,000 – was more than he typically spent. The payment was also being made to a well-known crypto merchant – which carries a known fraud risk that Barclays should be familiar with. Because of this, I think there was reason for Barclays to suspect Mr N might be at risk of financial harm. So, it would've been reasonable for them to carry out additional checks before processing this payment.

Barclays have accepted they could've done more to protect Mr N from the scam and, following Mr N's complaint being brought to our Service, they agreed with our Investigator to refund 50% of his loss. I therefore don't think it is necessary for me to discuss Barclays role in what happened in detail further – albeit, for the sake of any doubt, I consider a proportionate intervention at the time of the first payment would've likely led to Mr N realising he was being scammed and prevented his loss.

My decision will, instead, focus on the outstanding issues. Those being whether I consider Mr N contributed to his own loss and should therefore bear some responsibility for it by way of contributory negligence (which might justify a reduction in compensation). And at what point it would be fair for Barclays to pay compensatory interest, to recognise Mr N's loss of use of money, up to.

Beyond Barclays' requirement to protect customers from the possibility of financial harm from fraud, there's also an expectation that customers protect themselves too. I've therefore thought about whether Mr N did enough to protect himself from the scam – and, if he didn't, whether this contributed to his loss. I appreciate Mr N unknowingly fell victim to what, in many ways, appears to be a sophisticated scam. But given Mr N had already invested in crypto before – albeit, as I understand, only a small amount – he would've likely had some understanding of the potential risks associated with crypto and its unregulated nature (which is supported by the conversations he had with Barclays regarding an attempted payment).

This investment opportunity also came from an unsolicited message on WhatsApp by a person that wasn't known to Mr N. Because of this, I think it would've been reasonable for Mr N to have taken greater caution before proceeding to invest with someone he didn't know and hadn't met in person – particularly the amounts he did. Yet Mr N has confirmed he didn't carry out any due diligence before investing. I've also not seen anything to show he received any investment contract or documentation as part of the scam. Instead, it seems Mr N was heavily reliant on the instructions of the scammer. In the circumstances, I think Mr N ought reasonably to have taken steps to ensure the legitimacy of the investment before proceeding. This could've involved carrying further research online about the scam firm and these investment opportunities; or seeking independent financial advice.

If Mr N had done this, then I've considered what would've likely happened. Here, from my own historical internet search, I've been unable to find anything about the scam firm online. Although this means there wouldn't have been negative information available, I think the absence of anything online about the scam firm ought to have given Mr N reason to question whether it was genuine or not – as a legitimate firm would ordinarily have an online presence. Further to this, I think research into crypto investment opportunities would've likely led to Mr N becoming aware that he was likely being scammed - as there were enough similarities with his situation and the common features of crypto investment scams. And I think independent financial advice would've confirmed this too.

I've considered C's point that Mr N's age likely meant he was vulnerable to falling victim to the scam. But while this can be a factor in situations like this, I've not seen anything to show Mr N's age contributed to it here. Or that his age would've reasonably prevented him from carrying out the above steps to protect himself from the scam. Because of this, I think Mr N could've avoided falling victim to the scam if he'd taken some reasonable steps before

proceeding with the investment opportunity. It follows that I consider Mr N should take some responsibility for his loss.

At which point, I understand Mr N considers more liability should rest with Barclays. I appreciate Mr N is an innocent victim of a scam here and I'm not trying to place blame with him. But I must consider what is fair in the overall circumstances of what happened. And while Barclays accept they could've done more to protect Mr N from the scam, I cannot fairly ignore that Mr N could've done more to protect himself too. Considering this, I therefore think it would be fair to hold Mr N equally responsible for the loss he suffered. It follows that I think Barclays can make a 50% reduction in the award based on contributory negligence in the circumstances of this complaint.

To recognise Mr N's loss of use of money, I think it would be fair for 8% simple interest to be applied here. I'm aware that Barclays believe this should only be paid up to the date of our Investigator's view – as they say Mr N caused delays by not providing the scam evidence they repeatedly requested. While I accept Mr N ought to have cooperated with Barclays' investigation and provided the requested information promptly, I cannot be sure whether, had it been received, Barclays would've made the decision to refund Mr N (and without the recommendation or direction from our Service). And because of this, I think in these specific circumstances it would be reasonable for interest to be paid for the full duration of time Mr N is without these funds. It follows that Barclays should pay 8% simple interest from the date of each payment to the date of settlement.

In conclusion, while I have a great deal of sympathy for Mr N, I don't think I can fairly direct Barclays to refund him in full. For the reasons I've explained, I think a 50% refund and 8% simple interest is fair.

My final decision

My final decision is that I uphold this complaint in part. I direct Barclays Bank UK PLC to:

- Refund 50% of the disputed payments (£8,350).
- Pay 8% simple interest, per year, from the date of each payment to the date of settlement less any tax lawfully deductible.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 23 October 2025.

Daniel O'Dell
Ombudsman