

The complaint

Mrs S complains that Barclays Bank UK PLC (“Barclays”) failed to refund money that Mrs S lost as part of a scam.

What happened

Mrs S was contacted by a scammer that persuaded her to invest in a company that I will call B. This company purported to be a crypto investment firm.

Mrs S made around 7 transfers to a crypto exchange totalling over £75,000 between December 2020 and March 2021. The funds were then converted in crypto and sent on to B.

Mrs S also received a number of credits from B that total around £33,000.

Mrs S eventually was unable to withdraw the profits she saw on the scam company website and at this point she realised that she had been scammed in July 2021.

She raised a complaint with Barclays as she thought that it should have prevented her from sending the funds to the scammer and she requested that she be refunded the transactions in question.

One of our investigators looked into this matter and they did not uphold this complaint.

Mrs S did not agree with this and therefore her complaint was passed to me to issue a final decision.

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.

In broad terms, the starting position at law is that an Electronic Money Institution (“EMI”) such as Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer’s account.

But, taking into account relevant law, regulators’ rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Barclays should:

- 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 firms 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, or provided additional warnings, before processing a payment – (as in practice Barclays sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage 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.

Barclays intervened when Mrs S made a payment of £25,000 on 8 January 2021. I think that Barclays should have intervened when the payment before this one was made. I say this because it was a payment of £10,000 and it was unusual compared to the payments that Mrs S usually made. I think that an appropriate intervention would have been for Barclays to contact Mrs S and ask questions about that payment. That said, I'm not persuaded it would've prevented Mrs S from losing her funds.

I say this because I have listened to the calls made later in the scam between Mrs S and Barclays. Mrs S was asked a number of questions about the payments that she was making and she gave answers that were not accurate, which re-assured Barclays that the payments were not part of a scam. She said that there was nobody else involved when in fact she had a "broker" with B and that she had done her own research into what she was doing. She also said that she had not been approached by anyone to make the payments, when in fact the scammer had contacted her unprompted. She also mentioned that she had ran this by her financial advisor who she had known for over 20 years. I also note that at no point was B's name mentioned just the name of the crypto exchange.

From listening to the calls, it is unclear as to whether Mrs S was intentionally giving incorrect answers or if there was a misunderstanding about what she was being asked. But either way, these answers had the effect of reassuring Barclays that Mrs S was not being scammed.

I do note that Mrs S, in one call on 15 January 2021, did mention that she had a Bitcoin broker and I think that more questions should have been asked about this. Had more questions been asked I think that Barclays could have provided a warning that what she was doing had the hallmarks of a scam. That said, given the large amount that Mrs S had withdrawn and that there were no official warnings about B at the time, I don't think that Barclays would have been able to say for certain that Mrs S was being scammed, as it's fairly unusual for such a scam to return so much money to the victim. I think that B were very convincing to the extent that even after Mrs S had been to action fraud, she was still not certain that B were scammers.

So given the above, I don't think that Mrs S would've been put off from making the transactions, even if Barclays had intervened and told Mrs S about the common features of crypto scams. I am also mindful that Mrs S had made two withdrawals from B, prior to when further questions should have been asked about her broker. So again, I think the fact she was able to do that reinforced Mrs S's view that the payments were for a legitimate investment opportunity. This makes me think it's unlikely that an appropriate and proportionate intervention would have stopped the scam.

So overall I think that Barclays should have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam.

I've also thought about whether Barclays did enough to attempt to recover the money Mrs S lost. In this instance, the Contingent Reimbursement Model does not apply as the payments were made to an account in Mrs S's own name.

I appreciate this will come as a disappointment to Mrs S, and I'm sorry to hear she has been the victim of a scam. However, I'm not persuaded that Barclays can fairly or reasonably be held liable for her loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 13 August 2025.

Charlie Newton
Ombudsman