

The complaint

Miss D is unhappy that Barclays Bank UK PLC won't reimburse money she lost to a scam.

What happened

Through a personal recommendation Miss D became involved in a cryptocurrency investment scheme ("H"). She says she made the following payments to the scheme:

Date	Amount	Payment reference input by Miss D	Recipient
14 October 2021	£10	H	Account linked to cryptocurrency Platform ("C")
14 October 2021	£3,990	H	Account linked to cryptocurrency Platform ("C")
23 October 2021	£1,000	'Visa'	Account linked to cryptocurrency Platform ("C")

Miss D also sent a significantly larger sum, prior to the payments set out above, to a separate investment scheme introduced to her by the same individuals. That complaint will be considered separately by our service.

Miss D reported both scams, through a professional representative, to Barclays in 2024. It said that it needed more information from her to assess the complaint.

Miss D referred the complaint to our service, but one of our investigators didn't uphold it. Although they concluded they had enough information to establish that Miss D had fallen victim to a scam, they didn't think that it should have found the payments Miss D made to be particularly concerning.

Barclays didn't respond, but Miss D's representatives didn't agree. They thought Barclays should have attached more risk to the payments because they were being made to H and a cryptocurrency platform.

As no agreement could be reached, the case was passed to me for 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 a firm is expected to process payments and withdrawals that a customer authorises, 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 regulators' rules and guidance, relevant codes

of practice and what I consider to have been good industry practice at the time these payments were made, I think Barclays ought, fairly and reasonably, to have been on the lookout for out of character and unusual transactions and other indications that its customer might be at risk of financial harm from fraud.

Barclays hasn't responded to our investigator's view and hasn't refuted that Miss D fell victim to a scam. As that point doesn't appear to be in dispute, I'm considering only whether Barclays should have prevented Miss D's loss.

Miss D had made numerous earlier payments to C – it was an established payee by October 2021. The disputed payments also weren't so large in value that they stood out against Miss D's typical account activity. Miss D appears to have often made payments of a similar size to the second payment (the largest of the three).

Although the payments were made to a financial business linked to a cryptocurrency provider, at this point in time I'd expect Barclays to take into account a range of factors when deciding whether to intervene, including that the payment was likely going to an account under the consumer's control at an FCA-authorised Small Payment Institution.

Miss D's representatives argue that Barclays should have attached additional risk to the transactions because they were going to H. It's true that warnings about H existed by the time Miss D made the payments, but I am not persuaded that Barclays knew or ought to have known that was the eventual destination of the payments. The only indication of this was (in relation to two of the three payments) the reference that Miss D input. That reference is a free text field – Miss D was free to put anything in it. I don't find it reasonable to have expected Barclays to intervene on a transaction based on the contents of the 'reference' field in the way that Miss D's representatives suggest.

I also can't see there was any prospect of recovering Miss D's funds. Although she's been unable to provide evidence of her account at C, I understand her funds were converted into cryptocurrency before being sent to the fraudster. In those circumstances there is no prospect of recovery.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 25 July 2025.

Rich Drury
Ombudsman