

The complaint

Mr J complains that Barclays Bank UK PLC won't refund him after he was the victim of an investment scam.

What happened

Mr J says he was contacted about an investment over a popular social media platform and added to a chat group on a messaging platform. He was persuaded to invest and he sent money to various wallets that had been opened in his name, on three different cryptocurrency exchanges. He says the funds were then transferred to a trading account with an investment company, but it later turned out to be a fake account and his money had been sent to scammers.

He says he could see the profit rising on his investment and when it rose to around US\$10,000,000, he decided to withdraw his investment. But he was told he needed to pay 10% of the total value before he could withdraw his money and it was at this point he realised he had been scammed and reported the scam to Barclays.

Mr J says he made the following payments as part of this scam:

Date	Amount	Payment type	Destination
28/08/2024	£2,000	Faster payment	<i>Declined</i>
28/08/2024	£2,000	Faster payment	Own cryptocurrency account
04/09/2024	£2,500	Faster payment	Own cryptocurrency account
08/09/2024	£2,500	Faster payment	Own cryptocurrency account
11/09/2024	£8,000	Faster payment	Payee 1
13/09/2024	£5,000	Faster payment	Payee 1
27/09/2024	£3,500	Faster payment	Own cryptocurrency account
03/10/2024	£7,500	Faster payment	Own cryptocurrency account
03/10/2024	£7,750	Faster payment	Own cryptocurrency account
01/11/2024	£6,200	Faster payment	Own cryptocurrency account
16/11/2024	£8,000	Faster payment	Own cryptocurrency account
17/11/2024	£5,000	Faster payment	Own cryptocurrency account
18/11/2024	£4,250	Faster payment	Own cryptocurrency account
18/11/2024	£4,250	Faster payment	Own cryptocurrency account
19/11/2024	£4,200	Faster payment	Own cryptocurrency account
21/11/2024	£2,250	Card payment	Own account
28/11/2024	£3,000	Card payment	Own account

Barclays refunded two of the payments that were not made to cryptocurrency accounts or other accounts in Mr J's name. It did so in accordance with the Contingent Reimbursement Model (CRM) Code, but it didn't refund the other payments, which it said were not covered under either the CRM code or the APP scam reimbursement rules.

Mr J says he was in a vulnerable position because he was planning to retire and this was exploited by the scammers, who impersonated legitimate financial advisors. He says he had

limited financial literacy and technical understanding and this meant he was more vulnerable to this type of scam. While the cryptocurrency wallets were opened in his name, he says he didn't have control of them and they were controlled by the scammer. Barclays had told him to report the scam to Action Fraud, but when he did, it led to the scammers disappearing and him losing any chance of recovering his money.

Our investigator didn't uphold Mr J's complaint. She said Barclays had intervened and phoned Mr J on four occasions about four separate transactions. It had asked him probing questions about the transactions, to check that Mr J wasn't being scammed. She thought Barclays' interventions were proportionate and appropriate. She said Mr J had misled Barclays when it questioned him about the transactions, by giving inaccurate answers. That had prevented Barclays from uncovering the scam. She said it was not possible for Barclays to recover Mr J's money because his money had been paid into accounts in his own name and controlled by him and then paid away from there to the scammers.

Mr J didn't accept the investigator's conclusions and provided further evidence, such as copies of previous decisions from this service that he thought supported his complaint. He said the investigator had misrepresented what Barclays had said. It had said the cryptocurrency wallets were in his name, not that he controlled them. While the wallets were in his name, he maintained that he didn't control them. He also felt the investigator hadn't addressed all of his points. She didn't comment on his vulnerability or on Barclays' advice to report the scam to Action Fraud. The investigator placed excessive reliance on the warnings Barclays had given him, not to his evidence. He also said the investigator calculated his losses incorrectly.

As Mr J didn't accept the investigator's conclusions, the complaint has been passed to me for an ombudsman's 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 is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Mr J authorised the payments and Barclays made the payments in accordance with Mr J's instructions.

Some of the payments were made after 7 October 2024, the date on which the APP Scam Reimbursement Rules came into effect. For the payments made before that date, Barclays was a signatory of the Contingent Reimbursement Model (CRM) Code. But neither applies to payments made between two accounts controlled by the customer.

While Mr J says the cryptocurrency wallets were in his name but not under his control, the evidence is mixed. He has not disputed that the final two payments were made to his account with a payment service provider.

In several calls with Barclays, when it intervened in these transactions, he was asked whether anyone had helped him set up his cryptocurrency accounts. On each occasion he said no and that he hadn't given access to anyone else.

Mr J also told Barclays, when making the complaint and filling in a questionnaire about the scam, that he had access to the cryptocurrency wallets and the scammer did not. He also provided Barclays with copies of statements and transaction histories for his cryptocurrency

accounts, suggesting he had access to the accounts. He mentions having withdrawn £1,996.61 from one of his cryptocurrency accounts to his Barclays account. The first mention of the scammers having been in control of the cryptocurrency wallets appears to have been after Barclays rejected Mr J's complaint.

In the circumstances, I'm not persuaded the evidence is sufficient for me to conclude that the accounts in Mr J's name were not also under his control - it seems more likely that they were under his control. So, overall, I'm not persuaded that either the CRM code or the APP scam reimbursement rules apply because neither applies to payments between two accounts under the control of the customer.

But the matter doesn't end there. Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think Barclays ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I've considered whether Barclays ought to have made such further checks in the circumstances of this case. Barclays intervened and made some further checks on 28 August, 11 September, 27 September and 3 October 2024. I consider Barclays should have made further checks, for example when Mr J made significant payments on 1, 16 and 17 November 2024. But having considered everything, I don't think any further interventions Barclays might have made would have prevented Mr J's losses. I say this because, having listened to the recordings of the calls Barclays made, I consider Mr J wasn't open and honest with Barclays about the payments and this made it more difficult for Barclays to uncover the scam. He also didn't heed the relevant warnings that Barclays gave him. I have no reason to think he would have been any more open and honest if Barclays had intervened on further occasions or that he would have been more receptive to its warnings.

For example, in more than one call Barclays asked Mr J whether anyone had given him any advice about making this investment and he told them he hadn't received advice from anyone but had set up the cryptocurrency accounts himself on the recommendation of family and friends. He was asked on one occasion whether the money was to remain in his cryptocurrency account or whether it was going to be sent on to another platform and again he answered "No". Mr J was also warned that investments that seemed too good to be true were likely to be scams. It isn't clear what Mr J was promised when he decided to invest, but it does seem that the returns he was told he was earning on this investment were unrealistic if he was told his investment had grown to US\$10,000,000 in under three months.

I consider the interventions Barclays did make were reasonable and appropriate, asking Mr J probing questions about the purpose of these payments and attempting to narrow-down the particular risk he was facing and then providing appropriate and relevant warnings.

Overall then, despite my natural sympathy for Mr J in the circumstances he has described, where it appears he may have been the victim of a cruel scam, while I consider Barclays could have intervened on further occasions, for the reasons given above, I don't consider any further intervention would have prevented Mr J's losses.

Other matters

I'd like to assure Mr J that I have considered all of the evidence and submissions he has provided, including the copies of previous decisions from this service, details of his pension and vulnerability, amongst other things, but this doesn't change my overall conclusion.

Each case is considered on its own facts and so while I have read the decisions Mr J refers to, I have made my decision based on the facts of his case. In my view, many of those

decisions involve facts and circumstances that are quite different to Mr J's.

I don't consider the investigator misrepresented what Barclays said. It said the cryptocurrency wallets were in Mr J's name but it also says they were under his control and this was its basis for not reimbursing him, for example as stated in its letter dated 5 February 2025.

I also don't consider Mr J's comments about his vulnerabilities mean that he was not able to protect himself from this scam. Barclays asked him clear questions and gave him relevant warnings that were understandable. I don't consider that being in the process of retiring and having limited financial and technical understanding meant he couldn't understand those questions and warnings. Having listened to the call recordings, Mr J comes across as having understood the purpose of the calls and the questions and warnings. While he may not have had much financial or investment experience, I consider the scale of returns Mr J thought he was earning was unrealistic and even unexperienced investors ought reasonably to have recognised this.

In terms of advising Mr J to report the scam to Action Fraud, I don't consider there was anything inappropriate about that. It is unfortunate that he thinks this prevented him from recovering his money, but I don't consider there was any reasonable prospect of Mr J being able to get his money back from the scammers. In my experience money is quickly moved on in this type of scam and very difficult to trace.

My final decision

I don't uphold Mr J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 24 November 2025.

Greg Barham
Ombudsman