

The complaint

Mr M complains that Barclays Bank UK PLC didn't do enough to protect his money when he fell victim to an investment scam. He wants his losses refunded.

Mr M is represented by a third party but for ease of reference I have referred to Mr M throughout this decision.

What happened

Mr M explained that he was contacted through a social media campaign by agents representing an investment firm. He said the firm appeared legitimate and he was asked to provide copies of his identification documents to open an account. Mr M said that he was promised high returns on his investment, and he could see a profit in his account which led him to believe his investment was doing well and encouraged him to invest further. He explained that he made several large debit card transactions from his Barclays account to a cryptocurrency exchange which were then forwarded on. He said that Barclays didn't intervene or provide any warnings while he was making these payments. Mr M said it wasn't until he tried to withdraw his money and wasn't able to do so that he realised he had been the victim of a scam.

Barclays said in response to Mr M raising his complaint, that it had issued a cryptocurrency warning on 10 December 2021. It also noted that Mr M had made payments to the cryptocurrency exchanges prior to the payments included in this dispute.

Mr M referred his complaint to this service.

Our investigator noted the following payments as being part of the alleged scam.

Payment	Date	Transaction type	Amount
1	4 October 2021	Card payment to cryptocurrency exchange 1	£158.08
2	4 October 2021	Card payment to cryptocurrency exchange 1	£395.20
3	20 October 2021	Card payment to cryptocurrency exchange 1	£2,476.14
4	21 October 2021	Card payment to cryptocurrency exchange 1	£1,545.33
5	10 December 2021	Card payment to cryptocurrency exchange 2	£552.97
6	10 December 2021	Card payment to cryptocurrency	£576.97

		exchange 2	
7	10 December 2021	Card payment to cryptocurrency exchange 2	£1,951.14
8	10 December 2021	Transfer to platform for cryptocurrency transactions	£2,000.00
		Total	£9,655.83

Our investigator noted a further payment of £800 made on 19 July 2022 that Mr M included in his complaint but as this hadn't been able to be located in Mr M's Barclays statements it wasn't included in the findings.

Our investigator recognised that Mr M had been the victim of a fraud, but they didn't think that Barclays should have been reasonably expected to have prevented this. This was because they thought the size of the transactions wasn't large enough to raise concerns at the time they were made. They considered that the payments were being made to cryptocurrency providers but in this case, they didn't think that the pattern of payments was consistent with fraud and didn't think the values indicated a heightened risk of financial harm. Our investigator further noted that Mr M's account history showed that he made payments prior to this scam to the cryptocurrency exchanges that the scam transactions were made to. Therefore, they didn't think the transactions made as part of this scam were entirely unusual or uncharacteristic.

Regarding the recovery of funds, our investigator didn't think that any chargeback claim would likely have been successful given the payments were made to legitimate cryptocurrency exchanges and Mr M received the service he paid for, being the changing of money into cryptocurrency.

Mr M didn't agree with our investigator's view. He said that he made several payments within a concentrated timeframe including making payments totalling £5,081 on a single day. Given these payments were to cryptocurrency exchanges there was a heightened risk of fraud and while he had made payments to the exchanges before they were for much lower amounts and so these payments were out of character. Mr M said that while a general cryptocurrency warning was issued this wasn't sufficiently tailored to the risk he was exposed to.

Our investigator responded to Mr M's comments but after further discussion, a resolution wasn't agreed. Therefore, this complaint has been passed to me, an ombudsman, to issue a 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.

I am sorry to hear of the experience Mr M has had, and I accept that he has been a victim of fraud and lost money through this. However, for me to uphold this complaint I would need to be satisfied that Barclays should have done something differently and that had this happened then Mr M would have stopped making further payments. When considering a complaint, I take all relevant rules, regulations and guidance into account, but my decision is based on what I consider fair and reasonable given the evidence I have seen, and the wider circumstances at the time.

Mr M authorised the payments from his Barclays account. Under the Payment Service Regulations 2017, the starting point is that Mr M is liable for the payments he authorised. However, Barclays should have systems in place to look out for out of character or unusual transactions, or other signs that might indicate that its customers are at risk of fraud.

Mr M made two payments on 4 October 2021 to cryptocurrency exchange 1. I do not think the value of these payments should have raised concerns. Mr M's account history showed he made transactions for general spending and while most transactions were low value, he did make payments for amounts in the hundreds and transfers for larger amounts. Therefore, I do not think these first two payments appeared out of character. Mr M had also made payments to cryptocurrency exchange 1 prior to these payments, including a payment for around £387 in August 2021, which again would suggest this payment wasn't unusual for Mr M.

The next payments weren't made until 20 and 21 October 2021 and while these payments were for larger amounts, given the timing of these, I do not think there was enough at this stage to say that a pattern had emerged which suggested Mr M was at heightened risk of financial harm such that Barclays was required to intervene.

There was then a break in the payments until Mr M made four transactions on 10 December 2021. The first three payments were made by card to cryptocurrency exchange 2, an exchange Mr M had made several payments to previously, including in the months leading up to these payments. While I note Mr M's previous payments to the exchange were for lower amounts, I do not think that the individual payment amounts, or the combined total of these three payments, was such that meant Barclays should have identified a risk of financial harm and intervened.

The fourth transaction on 10 December 2021 was a transfer to another platform that could be used to trade cryptocurrency. Based on the communications between Mr M and the scammers at the time it appears that Mr M believed he needed to make a payment of US\$3,000 on 10 December and he confirmed when this had happened. This would appear to have been met by the three transactions noted above, therefore it isn't clear that this fourth transfer was part of the same payment chain. However, given this transfer brought the total amount Mr M had paid from his account on 10 December 2021, to over £5,000 to known cryptocurrency platforms, I think that a warning was required before this payment was released. Barclays has explained that this payment was to a new payee, and the purpose of the payment was selected to be 'Investment or crypto currency'. Based on this a warning was issued raising the question as to whether this could be part of a scam explaining how fraudsters can fake documents and websites and noting the risks of investing in cryptocurrency. I think this was a reasonable intervention at this stage but note that Mr M chose to go ahead with the payment.

Mr M made most of the payments using his debit card and so the relevant route to attempt to recover funds would be a chargeback. However, as our investigator noted, Mr M's payments were to legitimate platforms and he received the service he paid for, being the transfer of his funds into cryptocurrency. Therefore, a chargeback claim wouldn't be likely to succeed. I further note that the dispute with the payments was raised outside of the timeframe for a chargeback. The transfer was also to a legitimate exchange and the service to buy the cryptocurrency was provided.

While I know this will be disappointing for Mr M, and I am sorry for his loss, I do not find I can uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 December 2025.

Jane Archer
Ombudsman