

The complaint

Mr O says Barclays Bank UK PLC ('Barclays'), didn't do enough to help when he fell victim to a cryptocurrency investment recovery scam. He says Barclays should reimburse the money he lost.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

Mr O came into contact with a firm who advised it could help recover some funds he had previously lost to a cryptocurrency investment scam. Mr O liaised with someone from the firm whom I'll call 'Mr A'. Mr O, believing everything to be genuine, set up a cryptocurrency account/wallet and this was done with the assistance of Mr A. This was to be the 'recovery' account where any recovered funds would be returned to. On 11 August 2024 Mr O made a £200 transfer from his Barclays account to his cryptocurrency account. Mr O then provided some information about his previous investment to Mr A and was told that his funds had been located and around \$16,000 was recoverable. Mr O was advised that he needed to pay 10% of the money due to be recovered upfront and that it will be refunded to him alongside the recovered funds. Mr O then made a further payment of £1,300 on 8 September 2024.

On 8 September 2024, Mr O received a credit back of £1,194.94 into his Barclays account from his cryptocurrency account provider, with that same amount then being paid back to his cryptocurrency account on 10 September 2024.

After Mr O had transferred his funds into his cryptocurrency account, he says the funds were moved on by the scammer, as they had assisted in the setting up of the account and likely had access to his account.

After realising he had been the victim of a scam, Mr O reported the matter to Barclays to see if his funds could be reimbursed or recovered. Ultimately, Barclays didn't consider it was liable for the losses Mr O incurred, and it couldn't recover any funds.

Unhappy, Mr O brought his complaint to our service. Our Investigator reviewed the matter and didn't recommend the complaint be upheld.

They were satisfied Mr O had authorised the payments and they didn't think Barclays ought to have done more to identify the payments as potentially fraudulent in the circumstances. They didn't consider Barclays ought to have had a cause for concern that Mr O was potentially at risk of financial harm, or that he was falling victim to a scam to an extent that it ought to have intervened and questioned him further about the payments.

They noted that Mr O had contacted Barclays on 20 August 2024, which was after he'd made the payment of £200 and was prior to making the payment of £1,300, as Mr O was unsure whether it was a legitimate company or not. The Investigator concluded that while the call was ultimately disconnected, the advice Barclays gave to Mr O, which was to see if he could retrieve the £200 from his cryptocurrency account and to not make any more payments, was proportionate.

With regards to the recovery of any funds, as the payments went to an account in Mr O's own name, with the funds being converted into cryptocurrency and sent on, the Investigator considered there wasn't anything further that Barclays could do to help Mr O recover his funds.

Mr O disagreed with the Investigator's opinion and thought more should have been done by Barclays to prevent his losses. Mr O explained that the call was disconnected when the adviser was trying to get in touch with the fraud team – and as he didn't receive a response, he thought it was ok to proceed.

As Mr O disagreed with the Investigator's opinion, and as the matter hasn't been resolved, it's 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm aware that I've summarised this complaint and the responses briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here – which is to determine whether Barclays should have done more to prevent or recover Mr O's losses. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Having thought very carefully about Barclays' actions, I'm not upholding Mr O's complaint. I do appreciate how disappointing this will be for him. Mr O was a victim to a cruel scam and thought he was recovering some funds he had lost to a previous investment scam. But in weighing everything up, I don't think I can fairly say Barclays are liable to reimburse him. I'll explain why.

First, Barclays has raised that it is unsure how the credit of £1,294.94 on 8 September 2024, which was received into Mr O's account from the cryptocurrency provider, and which was then be paid out again back to the cryptocurrency provider on 10 September 2024 – fits in. It has said it isn't sure whether there is any additional loss here as it is likely those funds are either a part of the £1,300 Mr O had paid into the cryptocurrency account just prior, or those funds had been passed into / through his account by the scammer.

I agree with Barclays here. It seems to me that it is more likely than not (given the amount and taking into account any potential conversion/transfer fees) that it is the £1,300 that Mr O had sent to his cryptocurrency account just prior. It could also be that those funds weren't his and were passed through his account. Either way, it hasn't been demonstrated that the amount of £1,294.94 is an additional loss. And I am mindful that Mr O paid £200 initially, to ensure the cryptocurrency 'recovery' account was working, and then £1,300 which was the 10% fee to enable the return of the 'recovered' \$16,000. Taking that into account I'm satisfied, on the balance of probabilities, that Mr O's loss is £1,500.

The relevant law and regulations in place at the time

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

It is agreed by all parties that Mr O made the payments from his Barclays account to his cryptocurrency account. So, it is the case that Mr O authorised the payments that are in dispute. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr O is responsible for them. And that remains the case even though Mr O was the unfortunate victim of a scam.

However, there are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Barclays) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

What does this mean for Mr O?

In this case, I need to decide whether Barclays acted fairly and reasonably in its dealings with Mr O when he made the payments, or whether it should have done more than it did.

Barclays has explained that the payments didn't flag on its fraud detection systems for any additional checks and it provided two warnings as part of the payment process. It said for the first payment of £200, Mr O selected a payment purpose of 'Something else' and it provided a generic warning that covered off multiple scams. And for the payment Mr O made for £1,300, Mr O selected 'Investment or Cryptocurrency' and it provided a more tailored warning in relation to scams involving investments and cryptocurrency. It also considered it had given appropriate advice when Mr O called it on 20 August 2024.

I've thought about this carefully. Having done so, I can't fairly say any of the payments Mr O made would (or should) have alerted Barclays that Mr O was potentially at risk of financial harm, to an extent whereby it should have carried out some additional checks before processing the payments. So, I don't consider Barclays are liable for the losses Mr O incurred. I'll explain why.

I have to be mindful that banks process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene in a payment against not holding up or delaying its customer's requests.

Here, I don't consider there is anything unusual or remarkable about the payments or the amounts that ought to have alerted Barclays to the possibility Mr O was being scammed or was at risk of financial harm. The amounts Mr O sent weren't so remarkable or significant. And the payments were spread out over approximately a month. So, I don't think the amounts or pattern of payments would have led Barclays to be concerned that Mr O was at risk of financial harm and not to an extent whereby I would expect Barclays to carry out some additional checks on the payments.

Barclays also provided warnings for the payments of £200 and £1,300 – and I think that was a proportionate response in the circumstances. While the payments were identifiably going to a cryptocurrency exchange provider – that in and of itself doesn't automatically mean that Mr O was potentially falling victim to a scam. It is a genuine cryptocurrency exchange provider. And while cryptocurrency scams are prevalent, not all payment to cryptocurrency exchange providers are as a result of a scam. And here Mr O had authorised the payments to it. So, Barclays were satisfied that Mr O was making the payments and that they were going to an account in Mr O's name. And given the amounts weren't so remarkable and there wasn't a suspicious pattern such as multiple, rapid and/or increasing amounts, I don't find it ought to have given Barclays cause for concern that Mr O was at risk to an extent they needed to carry out any human intervention with Mr O about the payments.

So, all things considered; I don't think it was unreasonable that the payments didn't flag as suspicious – and I can't say Barclays acted unfairly by not carrying out any additional checks beyond the warnings it provided to Mr O.

I am also mindful that Mr O was proactive in contacting Barclays for advice after he had made the payment of £200 as he was concerned that he was being asked to pay an upfront fee. While ultimately the call got disconnected – I'm satisfied the adviser was clear in advising that it sounded suspicious, which I note Mr O acknowledged also. The adviser also explained that Mr O should try to send the £200 back from his cryptocurrency account and not make any further payments. I think that was reasonable advice and I don't think that Barclays needed to take any further steps by adding any additional markers or blocks/restrictions to Mr O's account that prevented him from sending any funds to any cryptocurrency accounts in his own name. I think it acted proportionately at the time in the advice it provided, and I don't think it needed to do more.

I am also mindful that while the call got disconnected, the absence of any further advice or confirmation meant that it was ok to proceed and not heed the advice given. Especially when the advice Mr O had received up until the point of the call being disconnected was that it sounded very suspicious and to not make any further payments.

Recovery of the funds

I have also considered whether Barclays did all it could to try and recover the money Mr O lost. Barclays remit here only allowed it to try and recover the funds from the recipient account. Here, the payments Mr O made were to an account in his name at a genuine cryptocurrency exchange and the fiat funds were converted into cryptocurrency and sent on to the scammer's wallet. So, there wasn't anything further Barclays could do to help Mr O recover his funds as they had already been moved on from the recipient account.

Summary

While I appreciate Mr O's been the unfortunate victim of a cruel scam, I think Barclays' decision not to refund him in this instance was fair and reasonable in the circumstances. I say this because Barclays followed Mr O's instructions to make the payments, and I haven't seen any reason why it shouldn't have done this. It also provided some warnings – which spoke to the potential financial harm Mr O was at risk of – and I think that was a proportionate response in the circumstances – and it didn't need to go beyond that. Unfortunately, there wasn't anything further Barclays could do to help Mr O recover his funds from the cryptocurrency exchange provider as they had already been converted into cryptocurrency and sent on.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 22 October 2025.

Matthew Horner
Ombudsman