

The complaint

Mr H complains Barclays Bank UK PLC didn't do enough to protect him when he fell victim to a crypto investment scam.

Mr H is professionally represented, however, to keep things simple, I'll refer to Mr H throughout my decision.

What happened

The background to this complaint is well known to all parties and so I'll only refer to some key events here.

In November 2023, Mr H came across an investment firm – which I will refer to as 'M', who we now know to be a scammer - on the internet and enquired about their services. He discussed investment opportunities with M that would provide a "huge return".

Mr H sent a total of £175,260 between 30 October 2023 and 7 March 2024 from his Barclays account to an account he was asked to open by M at an Electronic Money Institute (EMI) - money provider, which I will refer to as 'R'. The payments were then sent onto M via various business accounts. Mr H has also raised a complaint against R which I will address separately.

Mr H said he realised he had been scammed, when R blocked his account and he spoke to his son and explained what had happened. Mr H raised complaints with Barclays and R. Barclays didn't uphold his complaint, so the matter was referred to our service.

Our Investigator didn't uphold Mr H's complaint, as although he found Barclays ought to have done more and asked further questions on some of the payments, he wasn't persuaded that would have prevented Mr H's loss. This was because Barclays did intervene when Mr H attempted the third payment from his account and asked him questions about the purpose of the payment. However, as the payment was being made to an account in Mr H's own name and he had satisfied Barclays about the nature of the payment, they didn't need to question him any further. The Investigator also referred to the various interactions Mr H had with M at different stages throughout the scam and interventions from R, which showed he provided inaccurate information and was being coached to make sure the payments went through smoothly. And so, given the level of coaching, our Investigator wasn't persuaded any further interventions or warnings by Barclays would have broken the spell the scammer had on Mr H and it's more likely than not that he would have continued to make the payments.

Mr H didn't agree and asked for the matter to be referred to a decision. Therefore, the matter has 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.

I'm sorry Mr H has been the victim of a scam. But while I appreciate this has had a significant impact on him, I must consider whether Barclays is responsible for the loss he's suffered. Having done so, and while I realise this isn't the outcome Mr H is hoping for, for similar reasons as our Investigator, I don't think they are. Because of this, I don't think Barclays acted unfairly by not refunding the payments. I'll explain why.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. Here, it isn't disputed that Mr H knowingly made the payments and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of the account(s), Barclays are expected to process Mr H's payments, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Barclays to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr H to Barclays (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

Barclays didn't carry out any additional checks until the £5,000 (Payment 3) Mr H attempted on 29 November 2023. I think this was reasonable as the first two transactions were low value payments (£30 each), which weren't unusual or suspicious to suspect Mr H was at risk of financial harm from fraud. Barclays did however speak to Mr H before processing the £5,000 and so, I've considered whether they did enough to protect him from the scam when carrying out their additional checks. And if they didn't, whether this caused his loss. In summary, Mr H told the Barclays advisor he was making the payment to his own account with R after a bond from another bank had matured, and they were making him a better offer. The advisor then asked him when he opened the account and if he had opened the account himself. Mr H confirmed he opened an account with R a couple of months ago, and he had opened it himself. The advisor asked Mr H what he uses the R account for, and he confirmed for variety of things but investments mainly. The advisor asked Mr H if he received any calls or links from any third parties, which Mr H confirmed he hadn't. The advisor confirmed he was happy to mark the payment as genuine as long as he was making the payment himself and no one was forcing him to do this. Mr H said the following: *"No, no, no absolutely not"*. Mr H thanked the advisor for the call and for protecting him and the payment was approved.

Barclays didn't intervene on any further payments he made from his Barclays account to R, as the payee (his own account) was marked as a trusted based on the conversation he had the advisor.

For completeness, I've also considered Mr H's interaction with R during and after the payments he made from his Barclays account. R have provided us with several interventions where they had concerns Mr H could be falling victim to a scam. On these interventions Mr H was asked about the payment purpose on 6 out of the 7 payments he made. He selected *"buy or rent goods or services"* on each occasion and then went onto say the transfer is either for *"Buying goods from an online retailer"* or *"A property (i.e paying the deposit or balance)"*, which resulted in R providing warnings about the risks involved based on the options he selected. Mr H was also directed to R's in-app chat on a few of the payments he attempted due to concerns it had. I've highlighted a few examples of Mr R's responses below, when questioned:

- *"I paying for marketing services for my business"*
- *"I confirm that I am doing this by myself".*
- *"Yes, thank you for your concern, I wish to proceed with this transaction."*
- *"I'm doing home improvements with a company I've used in the past"*

On 5 February 2024, R restricted Mr H's account and sent him the following message via their in-app chat:

"Your account is currently limited because we believe it is highly likely that the transactions you are attempting to make are part of a SCAM. We've recently spoken with another customer who attempted very similar transactions to yours - they confirmed it was a scam. Please assist me with this review, we want to keep your funds safe and secure. It is crucial that you provide us with truthful information to help us better understand the situation and take the necessary measures to protect your account"

Mr H was asked a series of account security questions, including if someone was telling him what to say on the chat? Which he denied.

R then asked Mr H why he opened his account with them, to which he responded with the following:

"I seen you advertised and as I own a property in Spain. I thought my opening an account would help me when paying bills, making the process simpler. You were also recommended by my friends. I'm still getting used to your app"

R then asked Mr H, if he had been told to install remote access software like AnyDesk? He replied *"No, not at all"*.

Mr H also told R the following: *"I have a rental property in Cyprus which has a long-term tenant" My holiday home in Spain is currently serviced by Santander"*

On 8 March 2024, R suspended Mr H's account with them due to his account activity and on the same day it made the decision to permanently close it.

While Mr H has said he fell victim to a crypto investment scam, the payments he made from R went to companies and not to well-known crypto providers. Because of this, R wouldn't have been able to identify the payments were being made for crypto purposes based on the payees alone. And despite 'as part of an investment' being available as a payment option to select, Mr H didn't choose it for any of the payments as part of R's questionnaire process. Instead, he gave inaccurate information to R which prevented it from identifying the true circumstances behind the payments. Consequently, it also meant that they provided tailored written warnings that weren't – mostly – relevant to Mr H's situation (as, for example, they focussed on purchase or safe account scams).

In any event, despite Mr H given inaccurate information to R, it still directed him to their in-app chat to discuss some of the payments, which resulted in him providing further inaccurate information about the nature of the payments he was making. This also included providing false invoices for the work he said that was being carried out in his properties abroad, and not disclosing he was told to open the R account by M when asked by both R and Barclays.

I appreciate there was some confusion about the intervention call Barclays had with Mr H, however, the call we have been provided took place on 29 November 2024, when Mr H attempted a £5,000 payment from his Barclays account to his account with R, which the Investigator correctly referred to and what I have referenced above.

Based on the information I've mentioned, I don't think any further interventions from Barclays would have been able to counter the heavy coaching Mr H was receiving from the scammer or break the scammer's spell such that Barclays could have uncovered the scam and prevented Mr H's losses.

I understand that Mr H has mentioned being vulnerable to the scam, due to his age, and referring to other health issues he had at the time of the scam payments, which made him more vulnerable to falling victim to the scam. Both of which he considered should've been factors that Barclays ought to have taken into consideration when undertaking their fraud prevention checks. Having thought about this, I don't think Mr H's age or health at the time was enough of an indicator to suggest he was falling victim to a scam. And there wasn't anything to indicate from his interactions with Barclays and R that he was making the payments under pressure from a third-party (with Mr H confirming as such). I do however appreciate that Mr H could, potentially, have been more vulnerable to a scam due to his age. But while Barclays should be on the lookout for customer vulnerabilities, so they can provide effective protection against scams, I remain of the view that the intervention call they had with Mr H and the additional checks carried out by R were proportionate to the risks associated with Mr H's payments. And so, I don't think Barclays could reasonably have done anything further in these circumstances.

I've also noted the comments of Mr H about the Financial Conduct Authority's Consumer Duty and I've taken account of Barclays obligations following its introduction, but I'm not persuaded this changes the outcome here. While Barclays was expected to avoid causing him foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm he has said he suffered, nor do I think that harm was reasonably foreseeable given the information that was available to Barclays at the time he made the payments to his own account. I also don't consider it would've been appropriate for Banking Protocol to have been invoked in these circumstance as mentioned by Mr H. It follows that I don't consider it would be fair and reasonable to hold Barclays liable for Mr H's loss.

In terms of the recovery of Mr H's money, because he was sending the funds to an account in his own name before forwarding it on to the scammer, there wasn't any money for Barclays to recover on his behalf here.

I have a great deal of sympathy for Mr H and the loss he's suffered. I want to reassure Mr H that I haven't taken this decision lightly. But it would only be fair for me to direct Barclays to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Barclays has acted fairly and so I'm not going to tell them to do anything further.

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 H to accept or reject my decision before 28 October 2025.

Israr Ahmed
Ombudsman