

The complaint

Mrs B complains that Barclays Bank UK Plc won't refund her for payments she made from her account as part of an investment scam.

Mrs B is being represented by a professional representative, but for ease of reading I'll just refer to her.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it here. Instead, I've summarised what I consider to be the key points.

Mrs B says received unsolicited contact about an investment opportunity, over a popular messaging platform. She was added to a chat group, where some advice about investing was provided. She was interested in investing to supplement her income and decided to invest. To invest, Mrs B was told she needed to open a wallet with a cryptocurrency exchange and transfer money from Barclays to her wallet, before converting it into cryptocurrency and sending it on to a wallet under the control of the scammers, which she did in the belief she was funding her investment.

She started with a small amount and appeared to receive good returns and invested more money, but when she wanted to withdraw her money, she was asked to pay a fee. When she paid the fee, she was told she needed to pay a further fee and it was at this point she realised she had been the victim of a scam.

Mrs B made the following payments as part of this scam:

| Payment | Date | Amount | Payment type | Destination |
|---------|------------|-----------|--------------|------------------------------|
| 1 | 10/05/2024 | £419.39 | Card payment | Own cryptocurrency account 1 |
| 2 | 14/06/2024 | £500.00 | Card payment | Own cryptocurrency account 1 |
| 3 | 28/06/2024 | £2,500.00 | Card payment | Own cryptocurrency account 1 |
| 4 | 28/06/2024 | £500.00 | Card payment | Own cryptocurrency account 1 |
| 5 | 01/07/2024 | £1,500.00 | Card payment | Own cryptocurrency account 2 |
| 6 | 08/07/2024 | £2,650.00 | Card payment | Own cryptocurrency account 2 |
| 7 | 08/07/2024 | £400.00 | Card payment | Own cryptocurrency account 2 |
| 8 | 09/07/2024 | £150.00 | Card payment | Own cryptocurrency account 2 |
| 9 | 13/07/2024 | £1,045.00 | Card payment | Own cryptocurrency account 2 |
| 10 | 13/07/2024 | £800.00 | Card payment | Own cryptocurrency account 2 |

Mrs B complained to Barclays that it ought to have intervened to prevent the payments and warn her about the risks associated with scams. She says the payments were suspicious and ought to have caused Barclays concern that she was falling victim to a scam.

Barclays didn't uphold Mrs B's complaint. It didn't consider the payments were out of character or suspicious, based on Mrs B's normal account usage.

Our investigator upheld Mrs B's complaint. She considered that Barclays ought to have intervened in transaction four because it was the second payment to Mrs B's cryptocurrency account on the same day, she had sent £3,000 to her account that day cumulatively and Barclays ought to have been aware of the risk associated with cryptocurrency and investment scams by June 2024. She thought that if Barclays had intervened, with a suitable warning about cryptocurrency investment scams, it's likely the scam could have been prevented. She said this because some of the features that would likely have been covered by such a warning would have applied in Mrs B's circumstances and would likely have resonated with her. There was also no indication that Mrs B had been coached to provide inaccurate answers to any questions Barclays might have asked, or to ignore warnings.

Barclays didn't agree. It maintained that the transactions were not sufficiently unusual or suspicious, in terms of size or frequency, that it should have intervened.

As the complaint hasn't been resolved, it's 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 Mrs B authorised the payments and Barclays made the payments in accordance with Mrs B's instructions.

The Contingent Reimbursement Model (CRM) Code doesn't apply in this case because Mrs B was making payments to another account that she controlled and it also doesn't apply to debit card payments.

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.

All the payments Mrs B has complained about were made to two well-known cryptocurrency providers. I consider Barclays would have been aware the payments carried an elevated risk of fraud because cryptocurrency-related payments were widely recognised as presenting a heightened risk of fraud by May - July 2024 when this fraud took place. The risks of multistage scams involving payments to cryptocurrency accounts were also well-known. I'm satisfied that at the time of these payments Barclays ought reasonably to have recognised that this type of transaction could have been at an increased of fraud.

The size of the payments made by Mrs B were not unusual – she had made a number of payments for several hundred or even several thousand pounds in the months leading up to the scam. But payments to cryptocurrency providers were a new feature. By the time of payment four, Mrs B had made two payments totalling £3,000, on the same day, to a cryptocurrency account. Barclays would have been aware that multiple, smaller payments to the same cryptocurrency account, on the same day, were a common feature of this type of scam. Given the combined amount, the payments made the same day and the payment destination being a cryptocurrency account, on balance, I agree with the investigator that transaction four ought to have led to Barclays intervening.

Barclays has said it didn't intervene in any of these transactions. I've considered whether

intervention would have materially changed matters. Overall, I consider it likely it would have. I consider Barclays ought to have asked Mrs B questions to narrow down the purpose of the payment and then provided tailored warnings relevant to cryptocurrency investment scams. Such warnings might have included being promised investment returns that were too good to be true, being contacted over social media about investment, whether the customer had been able to withdraw any money from the investment and whether they had been asked to pay any fees to withdraw money, for example. Mrs B says she had been promised high returns and the copies of the messages exchanged with the scammer support this, she had also been contacted about the investment over social media, so I think this type of warning would have been likely to have resonated with her in her circumstances.

I think it likely she would have acted on those warnings if they had been provided by her bank, with which she had a long-standing customer relationship. I've also seen no evidence to indicate she had been coached by the scammers to ignore warnings or to provide misleading information to her bank. On balance then, I consider Barclays ought to have intervened at transaction four and if it had done so it would likely have prevented Mrs B's further losses.

Is Mrs B responsible for any of her losses?

I consider there were features of this scam that ought to have caused Mrs B some concern. For example, receiving unsolicited contact over social media to invest with a business that seems to have had no online presence might reasonably have caused Mrs B some concern. The investment returns that appear to have been discussed and which Mrs B was told she would receive were too good to be true – at one point she was told her investment was worth several times her initial investment within weeks of investing. While I accept that Mrs B was not an experienced investor, the size of the returns that appear to have been discussed were so large that they ought still to have raised doubts that this was a legitimate investment. On balance, I consider it is fair and reasonable in all the circumstances that she should bear responsibility for 50% of her losses.

Putting things right

For the reasons given above, Barclays should pay 50% of the value of each payment from transaction four onwards and add interest to these amounts at the rate of 8% simple per year from the date of each payment to the date of settlement.

If Barclays considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell how Mrs B much it's taken off. It should also give Mrs B a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I uphold Mrs B's complaint and I require Barclays Bank UK Plc to put things right in the way set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 20 October 2025.

Greg Barham
Ombudsman