

The complaint

Mr A complains that Barclays Bank UK PLC won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In mid-2020, Mr A says he was told about an opportunity to invest in cryptocurrency by someone who contacted him via an instant messaging service. He says he was told this person ran a cryptocurrency investment company and, after researching the company online, he agreed to invest and made a number of payments from his Barclays account to purchase cryptocurrency – which he then sent on to the company.

I've set out the payments Mr A made from his Barclays account below:

Date	Details	Amount
4 August 2020	To 1 st cryptocurrency exchange	£20,000
1 September 2020	To 1 st cryptocurrency exchange	£10,000
1 February 2021	To 2 nd cryptocurrency exchange	£2,400
5 February 2021	To 2 nd cryptocurrency exchange	£4,000
5 February 2021	To 2 nd cryptocurrency exchange	£4,000

Unfortunately, Mr A says he didn't receive the returns he was told he would. And when the company kept missing deadlines for returning his funds and stopped responding to him, he thought he had been the victim of a scam and reported the payments he had made to Barclays.

Barclays investigated but didn't agree to refund the payments Mr A had made. Mr A wasn't satisfied with Barclays' response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think there was enough evidence that Mr A had been the victim of a scam, so they didn't think Barclays should have to refund the payments he had complained about. Mr A disagreed with our investigator, so the complaint has been passed to me.

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.

Having done so, I don't think it would be fair to require Barclays to refund the payments Mr A has complained about here. I'll explain why below.

Banks are expected to make payments in line with their customers' instructions. And while I appreciate he says he now feels he has been the victim of a scam, Mr A did authorise the payments here. So the starting position in law is that Barclays was obliged to follow his instructions and make the payments. So Mr A isn't automatically entitled to a refund.

There are certain activities banks are expected to carry out to try to protect their customers from falling victim to scams, and certain protections in place for customers who do fall victim to scams. But, before looking at whether Barclays has done what we'd expect it to do or whether these protections apply, I must first be satisfied that Mr A has been the victim of a scam.

The relevant test for whether someone has been the victim of a scam comes from the FCA handbook. This defines a scam as where a customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

So in order to determine whether Barclays should have to refund the payments Mr A has complained about here, I first need to consider whether he has been the victim of a scam – or, in other words, whether he was deceived about the purpose of the payments to the point where he and the cryptocurrency investment company intended different purposes for the payments and the company intended to defraud him.

But I'm not satisfied the evidence I've seen shows that the investment company intended a different purpose for the payments, or that Mr A's and the company's purposes for the payments weren't broadly aligned.

I've thought very carefully about this and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is likely to have happened, based on the evidence I do have.

From what I've seen of the communication between Mr A and the person running the cryptocurrency investment company, they had been communicating for several years before the payments Mr A has complained about here. They appear to have met in person on at least one occasion, meeting each other's families at a social event. And they were both giving each other advice about a variety of different investments.

There appear to be several occasions where advice the person running the cryptocurrency investment company gives Mr A results in him making a profit, either due to the increase in value of cryptocurrency he purchases or from profits the person sends to him directly.

The statements for Mr A's Barclays account also show he received a number of payments into his account for significant amounts, either from the person running the cryptocurrency investment company or the company itself. And these credits are received both before and during the payments Mr A has complained about here and are for significantly larger amounts than I would expect from a scammer just returning some funds to encourage a victim to invest further.

I also haven't seen any evidence to suggest that the person running the cryptocurrency investment company didn't invest the money Mr A sent to them in the way they suggested they would, rather than that the proposed investment failed or didn't provide the expected returns. And I haven't been provided with evidence of any investigation by an external organisation which concludes that the person running the cryptocurrency investment company was operating a scam in relation to the payments Mr A has complained about.

I appreciate Mr A has said the FCA published a warning that the cryptocurrency investment company was providing or promoting financial services without permission. And that the terms of some of the investments the company suggested to him included guarantees or rates of return that were too good to be true. But while this suggests the company wasn't acting as I might expect a professional investment company to, I don't think it is enough to say that the company was operating a scam.

So I'm not satisfied the evidence I've seen shows that the cryptocurrency investment company didn't intend to invest the payments Mr A made in the way they had agreed. And so I don't think the circumstances here meet the definition of a scam from the FCA handbook, or that the protections in place for victims of scams apply here.

I sympathise with the position Mr A has found himself in. But I can only look at Barclays' responsibilities here and, for the reasons I've explained above, I don't think it would be fair to say Barclays should have done more to protect him or should now be required refund the payments he has complained about here.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 December 2025.

Alan Millward
Ombudsman