

The complaint

Mr and Mrs H complain that Barclays Bank UK PLC won't refund the money they lost as part of a scam.

What happened

Mr and Mrs H saw an advert for an investment scheme online; it appeared to be endorsed by a well-known financial journalist. Mr H left his details and was then contacted by someone purporting to work for the London Stock Exchange, who said they could help Mr and Mrs H with cryptocurrency investments and directed Mr H to speak to another individual, who they claimed worked for the Bank of England. Mr H was persuaded to open an account with a cryptocurrency exchange and to make payments to third parties from where he's said he could see the funds then credit his trading account. Unfortunately, and unknown to them at the time, Mr and Mrs H were dealing with a scammer.

When Mr H asked to withdraw their profits, around the 14 August 2024, he was then persuaded to make significant further payments for taxes and fees to release funds. It was only when they still did not receive their money, and were asked to pay even more fees, that Mr and Mrs H realised they had been the victim of a scam. Mr and Mrs H made the following payments to the scam, they also received a small amount of returns early on:

Payment	Date	Time	Payee	Amount	Recovered funds
1	03/07/2024	16:28	Payee 1	£1,000	£1,000
2	09/07/2024	09:19	Payee 1	£5,000	£610.21
Credit	30/07/2024	-	From cryptocurrency exchange	£112.05	-
Credit	31/07/2024	-	From cryptocurrency exchange	£136.98	-
3	02/08/2024	14:40	Payee 1	£6,000	-
4	05/08/2024	12:12	Payee 1	£4,000	-
5	06/08/2024	12:12	Payee 1	£7,200	-
Credit	08/08/2024	-	From cryptocurrency exchange	£429.61	-
6	12/08/2024	13:05	Payee 1	£4,500	-
7	14/08/2024	17:10	Payee 1	£8,000	-
8	15/08/2024	08:38	Payee 1	£8,000	-
9	15/08/2024	16:26	Payee 1	£7,500	-
10	20/08/2024	16:50	Payee 1	£7,100	-
11	21/08/2024	09:55	Payee 1	£5,000	-
12	23/08/2024	09:28	Payee 1	£2,000	-
13	26/08/2024	09:35	Payee 1	£2,000	-
14	26/08/2024	14:43	Payee 1	£1,500	-
15	28/08/2024	10:55	Payee 1	£4,000	-
16	28/08/2024	11:04	Payee 1	£200	-
17	29/08/2024	09:20	Payee 1	£4,000	-

18	29/08/2024	09:23	Payee 1	£200	-
19	02/09/2024	10:27	Payee 1	£8,600	-
20	02/09/2024	10:57	Payee 1	£110	-
21	03/09/2024	08:38	Payee 1	£4,000	-
22	03/09/2024	08:39	Payee 1	£100	-
23	03/09/2024	10:23	Payee 2	£5,000	£1,495.50
24	04/09/2024	10:59	Payee 2	£6,700	-
25	05/09/2024	14:25	Payee 2	£3,300	-
26	10/09/2024	08:48	Payee 1	£5,250	-
27	11/09/2024	14:41	Payee 1	£3,200	-

When Mr and Mrs H reported the scam to Barclays it looked into what had happened, but did not agree it had any liability for their loss, it said they had not done enough to protect themselves from this scam and that the payments they had made had not been unusual enough in the context of their usual account usage to merit any particular intervention. Barclays was though able to recover £3,105.71 from the receiving bank (as detailed in the table above) which has been returned to Mr and Mrs H. Mr and Mrs H remained unhappy and so referred their complaint to our service.

One of our Investigators looked into the complaint and they felt that Barclays should have stepped in to question Mr and Mrs H directly about the payments they were making by the time of the ninth payment to the scam. So, they felt Barclays should refund the payments made from that point onwards, minus a 50% deduction as the Investigator also felt Mr and Mrs H should bear some responsibility for what happened here.

Mr and Mrs H accepted the Investigator's findings, Barclays did not. It noted that we could not be clear about whether the Lending Standards Board's Contingent Reimbursement Model Code applied in this case, and maintained that the scam payments were not out of character for Mr and Mrs H's account. So, as no agreement could be reached, this case has been passed to me to review.

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.

It's not disputed that Mr and Mrs H authorised the payments that are the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means they are responsible for them. That remains the case even though Mr and Mrs H were the unfortunate victim of a scam.

Because of this, Mr and Mrs H are not automatically entitled to a refund.

However, the Lending Standards Board Contingent Reimbursement Model (the CRM code) was a voluntary code which set out a number of circumstances in which firms are required to reimburse customers who have been the victims of certain types of scam. Barclays was a signatory to the Code at the time of the payments that are the subject of this complaint. But it is not entirely clear whether the Code applies in this case, some of what Mr and Mrs H have told us suggests that the payments they made were for the purchase of cryptocurrency, at least some of which appears to have been paid into the cryptocurrency account that Mr H opened before being moved on to the scammers. If that is the case, and these payments were for the peer-to-peer purchase of cryptocurrency then the Code would not apply.

But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. And having thought about both the provisions of the Code and the general expectations of firms outside of the Code, I'm satisfied that the outcome of this complaint would be the same regardless of which regulations I apply.

So, for simplicity, I will focus on the general requirements of firms to monitor accounts and step in when they spot signs of potential financial harm.

Taking this into consideration, I need to decide whether Barclays acted fairly and reasonably in its dealings with Mr and Mrs H, or whether it should have done more than it did.

Mr and Mrs H's Barclays account was well established, and so Barclays had an extensive account history against which to compare any payments that were made. And looking at that account history it was not uncommon for them to make larger payments to both businesses and individuals. With this in mind, I don't consider that the initial payments to this scam should have raised any particular concerns with Barclays based on their value. I also note that Barclays did ask Mr and Mrs H to confirm the payment purpose for two of these early payments, and they selected 'paying friends/family' and 'something else' as the payment purposes, despite the fact that the payments were for an investment. So, based on what it knew about their usual spending, and what it had been told about these payments specifically, I think it was reasonable for Barclays to allow those payments to be made without any further intervention.

However, I do think the ninth payment to the scam, for £7,500, when taken cumulatively with the payments made earlier that day and on the previous few days, ought to have warranted an intervention from Barclays. This was the fourth transfer in three days, all of which were for significant amounts, to a relatively new payee. This payment represented a total transfer of £28,000 to the same individual (with over £15,000 of that being transferred in one day) in a relatively short period of time. And the payee was not identifiable as a business or law firm (like many of the other large payments Mr and Mrs H had made were), so I think it would have been reasonable for Barclays to identify that this pattern of payments was unusual and potentially concerning. I'm satisfied that, bearing in mind all these factors, it would have been reasonable for Barclays to intervene directly at this stage to reassure itself that Mr and Mrs H were not at risk of financial harm.

So, what I now need to decide, based on the available evidence, is what would most likely have happened, had Barclays intervened effectively.

I would expect Barclays to have asked Mr and Mrs H questions such as who the payment was for, what it was for, and for the basic surrounding context of the payment. I note that Mr H says he was told not to tell Barclays that the payments were for cryptocurrency, but he doesn't appear to have been given any other details as a cover story to tell Barclays. So, I think effective questioning would likely have unearthed that something untoward may be going on. And given that this scam appears to bear many of the common hallmarks of scams that we – and a bank like Barclays – would see every day, I think Barclays would have been able to identify those red flags and provide Mr and Mrs H with appropriate warnings and advice that would, more likely than not, have prevented them from proceeding with any further payments to the scam from Payment 9 onwards.

In reaching my conclusions about what is fair and reasonable in this case, I have also considered whether Mr and Mrs H should bear some responsibility for their loss. And, while there were some sophisticated aspects to this scam, I do think it would be reasonable to

hold Mr and Mrs H partially responsible for their loss here. I say this because it's not clear that they did any significant research before deciding to invest in this scheme. In addition, the returns being promised – apparently with no risk to Mr and Mrs H's capital – were extremely high, and really should have been considered as too good to be true. I also note that, as the scam progressed, Mr and Mrs H were being asked to pay increasingly large fees in order to release her profits. I think they should reasonably have been concerned by this, but although Mr H expressed some concern to the scammers about what he was being asked to do, he accepted their explanations without any physical evidence that he was involved in a legitimate investment, despite those concerns. With this in mind, I consider it reasonable for Mr and Mrs H to bear joint responsibility for their loss.

Were this case to be considered under the CRM Code, then for the same reasons as set out above, the finding would be that Mr and Mrs H did not make these payments with a reasonable basis for belief that they were to a legitimate investment, but that Barclays had also not met its obligations to them from Payment 9 onwards. As a result, the outcome would be the same, that Barclays should refund 50% of Mr and Mrs H's loss from Payment 9 onwards, plus interest.

I have then looked at whether Barclays did what we would expect in a scam case to try to recover the funds. However, in the circumstances of this case I am satisfied there was no reasonable opportunity for it to recover any more of the funds than it did.

So, in summary, when Mr and Mrs H made Payment 9, I think Barclays could have done more to protect them from the risk of financial harm. And had it done so, I'm persuaded it is more likely than not the scam would have come to light, and Mr and Mrs H wouldn't have lost out on the further funds they went on to pay to the scammers. But I consider that Mr and Mrs H should also share liability for their loss here.

Putting things right

To resolve this complaint Barclays should:

- Refund 50% of the payments made to the scam from Payment 9 onwards (inclusive) less the funds recovered that relate to payments made after Payment 9.
- Pay 8% simple interest, per year, on this amount from the date of each payment to the date of settlement.

My final decision

I uphold this complaint in part. Barclays Bank UK PLC should now put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 4 December 2025.

Sophie Mitchell
Ombudsman