

The complaint

Mr K, via a representative, complains that Barclays Bank UK PLC (“Barclays”) have failed to refund the money he lost as part of an investment scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr K was contacted by somebody that purported to be a crypto trading broker. I will call this person B.

Mr K then made over 35 transactions to a crypto exchange between 27 March 2020 and 29 November 2020. These funds were then converted into crypto and were then sent to two different fake trading platforms. Mr K sent over £1,000,000 to the scam platforms.

One platform showed a zero balance mid-way through the scam and Mr K was told the market had crashed. He then sent funds to the other platform.

When Mr K attempted to withdraw the profit that he could see on the second platform, he was told that he had to pay additional fees. Mr K then realised that he had been scammed.

Mr K asked Barclays to refund these payments, as he believes Barclays should have done more to prevent him from being scammed in the first place. Barclays did not agree with this.

One of our investigators looked into this matter and she thought that, given the answers Mr K gave during calls with Barclays when it did intervene, any further intervention from Barclays would not have stopped the scam. She therefore did not uphold this complaint.

Mr K did not agree with this and therefore his complaint has been passed to me to issue a 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

It isn’t in dispute that Mr K authorised the payments he made from his Barclays account. The payments were requested by him using his legitimate security credentials provided by Barclays, and the starting position is that Barclays ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I've considered whether Barclays should have done more to prevent Mr K from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if transactions are particularly out of character.

In this instance, Mr K's account had been used in the past for large transactions. Given this, I don't think that Barclays needed to intervene until Mr K made a payment of £50,000 on 11 August 2020. I say this because the transactions that occurred before this point did not seem out of place based on how Mr K had previously used his account. But, I think that a payment of £50,000 was unusual for Mr K. Barclays did intervene around this time, but from the calls that are available, I'm not sure Barclays went far enough and I think that further questions should have been asked. So I need to consider whether a more appropriate intervention would have stopped the scam.

In this instance I can see that Barclays did intervene later in the scam. More questions were asked by Barclays, but Mr K was very confident that what he was doing was legitimate. He even went so far as to say that, he would accept full responsibility if what he was doing was a scam. He said he had done his own research and that B was FCA registered.

I accept that earlier on in the scam Mr K might not have been quite so confident in B. But I am also mindful that Mr K had been a victim of a crypto scam before and despite being aware of the features of crypto scams, he trusted B enough to send it large amounts of money. I also think that it is clear that B was very persuasive, as it managed to convince Mr K to continue to send funds, even after the first trading platform showed him that he had lost all of his money.

Finally, I can see from Mr K's crypto statements that he had received three withdrawals from the trading platform to his crypto account. And these withdrawals were from prior to when I think that Barclays should have intervened.

So taking all of this into consideration I think that had Barclays intervened more than it did around 11 August 2020 and provided a warning saying that B was likely a scam, the evidence I have been provided with doesn't make me think that it would have stopped the scam or put Mr K off from making the transactions in question. I think that the scammer was so persuasive that it would have been able to convince Mr K that what he was doing was legitimate, regardless of any intervention from Barclays.

Ultimately, Barclays was only required to take proportionate steps to try and protect Mr K from financial harm. But I'm not persuaded that a proportional intervention from Barclays would have stopped Mr K. So overall, I think that Barclays should have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam.

I've also thought about whether Barclays could have done more to recover the funds after Mr K reported the fraud.

Barclays are under no obligation to refund the money to Mr K under the Contingent Reimbursement Model (CRM) Code. This is because the Code does not apply to transfers which the payer has effectively made to themselves. In relation to the debit card payments, they seem to have been made as a means to purchase crypto which he duly received. So overall, as he got essentially what he had paid for (as the loss only occurred once Mr K had sent the crypto onto the scammer), I don't think that Barclays could have challenged the payments.

I appreciate this will likely come as a disappointment to Mr K, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Barclays can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 7 November 2025.

Charlie Newton
Ombudsman