

The complaint

Ms R and Mr S complain that Barclays Bank UK PLC won't refund the money they lost as the result of a scam.

Ms R and Mr S have been represented in their complaint by a firm of professional representatives.

What happened

The payment was made from an account held jointly by Mr S and Ms R, and so the complaint is in their joint names. But it was Mr S who made the payment to what ultimately turned out to be a scam, and I'll refer to Mr S alone throughout much of my decision to keep things simple.

The background to the complaint is familiar to both parties, so I'll simply summarise it here. Briefly, Mr S had an acquaintance who was investing in cryptocurrency. He told Mr S he was making good returns and suggested that Mr S try it. He gave Mr S details of his contact from the trading platform he was using. Unfortunately, that person ultimately turned out to be a scammer, and I'll refer to them as "the scammer" in this decision, even though I appreciate that Mr S didn't realise that's who he was dealing with at the time.

Mr S contacted the scammer, using the contact details his acquaintance had given him. He's provided a transcript of their online chat and multiple screenshots referred to in the chat.

The scammer told Mr S that if he invested £10,000, she'd send him "trading signals" so that he could see if he was happy with his profits. She said that there was a VIP investment group, but Mr S would need a significantly larger sum to join that. Mr S said that he'd start with £10,000 and take it from there. On the scammer's instruction, he opened a trading account on the scammer's platform.

Mr S already had a cryptocurrency account with a large cryptocurrency platform. He's told us he'd used his Barclays account to buy cryptocurrency before, but he hadn't done so for a few years. Mr S made an initial payment of £100 from his Barclays account to his cryptocurrency account. His first attempt, a few days later, to make the £10,000 payment to his cryptocurrency account was unsuccessful. Barclays' fraud detection systems flagged it up, and its system notes show that the payment was cancelled after it was unable to speak to Mr S. After Mr S discovered that he was unable to access his banking app, he phoned Barclays. He made the £10,000 payment on 1 November 2024 while he was on the call. After the call handler asked him a series of questions, the payment was processed.

Once Mr S had transferred the £10,000 from his Barclays account to his cryptocurrency wallet, the scammer explained how to transfer it on to the trading platform. He was given access to a sophisticated-looking portal, which appeared to show Mr S's deposit, and showed real-time trades and returns which matched the scammer's story. Over the following few days, the scammer gave Mr S instructions on when, and how much, to trade. At first Mr S appeared to be making a profit. But less than a week after starting to trade on the

platform, Mr S spotted that his balance had fallen to zero. When he contacted the scammer about this, she quickly became unpleasant and Mr S realised he'd fallen victim to a scam.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, he thought that the answers that Mr S had given to some of Barclays' questions were misleading, and that had prevented it from uncovering the scam.

Mr S and Ms R disagreed with the investigator's view, so the complaint's 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.

I've summarised the evidence and arguments using my own words, and in less detail than the parties have provided. No courtesy is meant by this. If there's something I haven't mentioned, it's not because I've overlooked it. Rather, I've focussed on what I consider to be the key issues, in keeping with our role as an informal dispute resolution service.

It's not in dispute that Mr S fell victim to a cruel scam, and I was sorry to learn of this. My role is to decide whether I can fairly hold Barclays responsible for his loss.

The payment Mr S made from his Barclays account was to an account in his own name, so it wasn't covered by the Lending Standards Board's Contingent Reimbursement Model. It's common ground that the payment was 'authorised'. Mr S knew he was sending money to his own cryptocurrency account. So even though he didn't intend the money to end up with a fraudster, the payment was 'authorised' under the Payment Services Regulations. Barclays had an obligation to follow the payment instructions it received, and Mr S is presumed liable for his loss in the first instance. But that's not the end of the matter.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payment was made, Barclays should have been doing the following to help protect its customers from the possibility of financial harm:

- monitoring accounts and payments to counter various risks, including fraud and scams;
- keeping systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;
- acting to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring that all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether; and

- being mindful of -among other things – common scam scenarios, how fraudulent practices were evolving (including, for example, the common use of multi-stage fraud by scammers, and the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers when deciding whether to intervene.

In this case, Barclays' fraud detection systems flagged up the payment while Mr S was on the call. The call handler asked Mr S a series of questions which Mr S's representatives say, in summary, weren't sufficiently probing or open. They say they believe Mr S's answers wouldn't have held up to detailed scrutiny. And they've suggested that if Barclays had asked him whether a trading or investment platform was involved in the transaction, he'd have disclosed full details, including the involvement of the platform and the person he was dealing with. So I've considered whether Barclays's questions went far enough, and if not, whether I think it more likely than not that better questions would have exposed the scam and prevented Mr S's loss.

I accept that in this particular case, the questions that the call handler asked Mr S could have been more open. Instead, many of them were posed as statements for Mr S to confirm or deny. Nonetheless, I'm not convinced, on balance, that more open questions would have made a difference.

The call handler asked Mr S whether he'd been in contact with someone claiming to be a crypto broker regarding the transaction. Mr S replied that he hadn't. The call handler then went on to warn Mr S that crypto brokers aren't regulated by the FCA, and that anyone claiming to be a crypto broker would be trying to scam him.

Mr S's representatives have commented that the scammer wasn't presented to Mr S "as a *“broker” in any formal or regulated sense*", so Mr S had no reason to describe her as such. They say it's not reasonable to expect customers to volunteer information that they don't realise is relevant or necessary. I don't disagree with that as a general proposition. But Mr S said he hadn't been in contact with anyone claiming to be a broker *before* the call handler mentioned the regulatory situation. So the point about the regulatory position would have had no bearing on his reply. And while the scammer may not have used the word "broker", Mr S knew that someone was advising him on the investment. Of course, it's not possible for me to be sure why Mr S gave the answers he did. But I think he could reasonably have been expected to mention, in response to the question, that he was in contact with a representative of a trading platform who was going to guide him on his investment.

Barclays' call handler asked Mr S whether anyone had told him that the investment would yield a high return within a short period of time. Mr S replied "*No. I'm just going to keep the money, um, and see what happens. It's more long-term for me*". Mr S says he was told he could achieve high returns, and his representatives have told us that he'd been led to believe he could achieve returns of 60% upwards per year. And while he hadn't, at that point, transferred any money from his cryptocurrency account to the scam, and may not have been clear exactly how it would work, I'm satisfied that Mr S was expecting to start trading very quickly.

I can't be sure why Mr S told the call handler that he was just going to keep the money and see what happened. But I think it likely, on balance, that his answers were intended to conceal what was happening from Barclays. I've listened to the call, and I think Mr S sounded confident and convincing. His representatives have told us he wasn't given a cover story by the scammer. If that's the case, it seems that Mr S was able to think of convincing answers himself, with no prompting.

I think it's understandable that Mr S's reference to keeping hold of the funds for the "long term" and his confirmation that nobody had told him he could make a large profit in the short term, and that no broker was involved, put the call handler off the scent. So I don't think it was unreasonable of the call handler not to identify that Mr S was in danger of falling victim to a scam. And I think it's understandable that they didn't ask targeted questions relevant to cryptocurrency investment scams, which is what Mr S was falling victim to. So like the investigator, I'm not persuaded that I can fairly hold Barclays responsible for the fact that the scam wasn't uncovered.

I should add that even if Barclays had picked up on the risk, and had outlined to Mr S the way cryptocurrency investment scams typically work, I'm not persuaded that it's likely that this would have resonated with Mr S sufficiently strongly to put him off going ahead with the investment in any event.

At the point when Mr S made the £10,000 payment to his cryptocurrency account, he hadn't sent any payments from that account to the scammer. The scam was relatively sophisticated. The scammer had told Mr S that she'd give him "trading signals". Mr S would then make the trades himself. It was after Mr S had transferred the money from his Barclays account that the scammer took him in detail through the process for transferring money to the platform and making trades. And based on the information provided, I'm not convinced, on balance, that it would have been obvious to Mr S that he was being asked to transfer his cryptocurrency to a third party's wallet.

What's more, the investment company had been recommended to Mr S by an acquaintance who seemed to be doing well out of it. As Mr S's representatives have pointed out, this "*added a significant layer of perceived credibility*". And Mr S had also researched the trading company online and had been reassured by what he found.

So to summarise, I don't think it was unreasonable of Barclays, in the circumstances of this particular case, not to pick up on the fact that Mr S was falling victim to a scam. So I can't fairly hold it responsible for Mr S and Ms R's loss. And I'm not persuaded, in any event, that better questions from Barclays would have revealed the true situation. Nor do I think it likely, on balance, that Mr S would have acted differently even if Barclays had warned him.

I've thought about whether Barclays could have done more to recover the money, but I don't think it could. Mr S sent the money to a cryptocurrency exchange to buy genuine cryptocurrency, and that's what he got in return, albeit the cryptocurrency subsequently went on to the scammer. So I don't think Barclays could have been expected to recover the funds. And in any event, the scam wasn't reported until around three months after the payment was made.

I'm sorry that Mr S and Ms R are bound to be disappointed with my decision, but for the reasons I've set out, I can't fairly uphold this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R and Mr S to accept or reject my decision before 24 December 2025.

Juliet Collins
Ombudsman