

The complaint

Mr O complains that Barclays Bank UK PLC won't refund him money he says he lost in an investment scam.

Mr O is being represented by a professional representative, but I'll just refer to Mr O throughout for ease of reading.

What happened

Mr O says he saw an advert on a popular social media platform promoting an investment in cryptocurrency. He was interested in investing, so he made contact and was given further details. Most of the communication was over popular messaging platforms. He was told that the investment was risk-free and that he would receive returns of double or triple his investment. Payments to fund the investment were made by transferring money to cryptocurrency accounts Mr O opened, converting money into cryptocurrency and then transferring it to wallets which turned out to be controlled by the scammers.

Mr O says he invested a small amount at first, to build trust in the investment and then he invested more when he saw his profits starting to grow. When he eventually decided to withdraw some of his profits, he was told he needed to invest further amounts before he could do so and it was after this that he started to realise he had been the victim of a scam.

Mr O initially also complained to us about a subsequent scam, in which he contacted an agent who said they could recover his money, but this turned out to be another scam. But he has since told us he will be pursuing that matter separately.

The following transactions were made as part of this scam, those in italics were attempted but did not proceed:

Payment	Date	Amount	Payment type	Destination
	<i>07/10/2024</i>	<i>£1,000</i>	<i>Card payment</i>	<i>Cancelled</i>
1	08/10/2024	£515	Card payment	Own cryptocurrency account 1
2	08/10/2024	£515	Card payment	Own cryptocurrency account 1
	<i>08/10/2024</i>	<i>£7,000</i>	<i>Card payment</i>	<i>Cancelled</i>
3	13/10/2024	£1,029	Card payment	Own cryptocurrency account 1
4	13/10/2024	£1,029	Card payment	Own cryptocurrency account 1
5	13/10/2024	£2,059	Card payment	Own cryptocurrency account 1
6	05/11/2024	£4,000	Card payment	Own cryptocurrency account 2
7	12/11/2024	£4,000	Card payment	Own cryptocurrency account 2
8	14/11/2024	£760.66	Card payment	Own cryptocurrency account 1
9	14/11/2024	£3,626.72	Card payment	Own cryptocurrency account 1

Mr O says Barclays ought to have intervened to prevent the payments, in particular payment 5, because the pattern of payments was unusual for his account. The payments were high-value and were being paid to cryptocurrency exchanges, which Barclays ought to have recognised as carrying a high risk, due to the number of scams involving payments to cryptocurrency in recent years. He says if Barclays had intervened and asked suitably

probing questions, it would have uncovered the scam.

Barclays didn't refund Mr O and didn't uphold his complaint, because it didn't consider he had provided enough information for it to investigate his complaint properly and to establish what had happened. It says the Contingent Reimbursement Model (CRM) Code doesn't apply because the payments were made by debit card to other accounts controlled by Mr O. It didn't attempt to chargeback Mr O's payments because these were payments he authorised and which were paid to legitimate businesses.

Our investigator considered Mr O's complaint, but he didn't uphold it. He thought Barclays ought to have intervened further than it did, but he didn't consider further intervention would have been successful in preventing Mr O's losses. He said this because Mr O had made other payments related to this scam through his Electronic Money Institution (EMI), which had intervened, but that intervention hadn't stopped Mr O from continuing to make payments. He thought that the EMI's intervention ought to have led Mr O to realise he was being scammed, but Mr O was under the spell of the scammer and had started to make payments using Barclays, rather than acting on the EMI's warnings.

Mr O didn't accept the investigator's conclusions. He said the EMI hadn't asked suitably probing questions. If Barclays had intervened robustly, he thought the scam would have been discovered. He wasn't under the spell of the scammer and his messages with the scammer show that he was cautious. If Barclays had intervened, any responses he gave about the investment shouldn't have stood up to a reasonable level of scrutiny.

As Mr O didn't accept the investigator's conclusions, his complaint has 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.

While Barclays has referred to the CRM Code, the transactions in question took place after 7 October 2024 and so I have considered whether the APP scam reimbursement rules apply. However, like the CRM Code, these rules don't apply where payments are made between two accounts controlled by the customer or to payments made by card. They don't apply in the circumstances of Mr O's case because he was making payments by card to two cryptocurrency accounts in his name and under his control.

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 Mr O authorised the payments and Barclays made the payments in accordance with Mr O's instructions. 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.

Barclays did intervene in this series of payments. For instance, it called Mr O on 8 October 2024 in relation to payment an attempted payment of £1,000 on 7 October 2024. It asked him questions about the transaction and I think the information Mr O gave Barclays ought to have caused it concern. Mr O mentioned that he was making the payment in connection with an investment he had opened following discussion with a financial advisor. Barclays advised him to carry out further research before investing and Mr O agreed that he would do further research and the payment didn't go ahead.

Barclays intervened again on 8 October 2024 in an attempted payment of £7,000. A call took place and Mr O asked for the payment to be cancelled after mentioning that he was attempting to make the payment in relation to an investment in property.

I consider there were other occasions when Barclays should have intervened, for example on 13 October 2024, when multiple payments were made to the same payee, which was recognisably a cryptocurrency exchange. Also on 5 November 2024, when a payment of £4,000 was made to a new payee that was, again identifiably a cryptocurrency exchange. Further significant payments were made on 12 and 14 November 2024, which should have triggered intervention in my view.

However, like the investigator, I'm not persuaded that further or better intervention from Barclays would have led to the scam being discovered and Mr O's losses being prevented. I say this because Mr O's EMI intervened in a related series of transactions, on 29 September 2024, before these payments with Barclays were attempted. That intervention included contact by in-app messaging and a phone call, with probing questions and relevant warnings, but it did not prevent Mr O going ahead with payments to the scammer.

The EMI paused a payment and asked Mr O questions about it. I've read the in-app messaging between Mr O and his EMI and I've listened to the subsequent call between Mr O and his EMI. There was a lot of information in that call that ought to have caused his EMI concern that he might be falling victim to a scam, and ultimately, the EMI decided to cancel the payment and close Mr O's account. It asked him a number of questions during the call. In response, Mr O answered a lot of the EMI's questions honestly, but he did answer several questions inaccurately. He told the EMI that this wasn't an investment he had heard about through social media, but through a friend and he had not been told his investment would make high returns. In fact, he had heard about the investment through social media adverts and had been told this was a no-risk investment with varying estimates of how much his returns would be, ranging from 80-500%. Mr O was warned by the EMI that it thought there was a high likelihood that this was a scam. The EMI told him about scams where people are contacted over social media about an investment promising no-risk, high-return investments but they ultimately couldn't access their investment and were asked for fees to withdraw their money, or scenarios where customers move money to cryptocurrency exchanges after which the money is transferred onwards to wallets controlled by scammers, who then cease contact. He was told to be very cautious about using investment advisors and to conduct thorough research. The EMI concluded the call by saying there was a very high chance Mr O was falling victim to a scam and it would review the matter further.

Mr O didn't heed the EMI's warnings. When the EMI closed his account, Mr O started using Barclays to make payments to this investment instead. When Barclays intervened on the first attempted payment and warned Mr O to do further research, Mr O made lower value payments the next day, which were successful. A higher value payment was then attempted and Barclays intervened in that transaction too, ultimately it was cancelled and Mr O made smaller payments the next time.

Overall, it seems to me that while Barclays ought to have intervened on other occasions, it's likely Mr O would have simply asked for them to be cancelled and tried again with smaller amounts on other occasions or would have found another way to make the payments. He wasn't open with his EMI when it asked him questions about the payments, so I'm not persuaded he would have been more open with Barclays. And I don't consider Barclays could have given him any warnings that are likely to have resonated with him, since his EMI had already provided very relevant warnings which didn't lead Mr O to stop making payments. Overall, I don't consider it's likely any intervention from Barclays would have prevented Mr O's losses.

Recovery

Since the payments were made by debit card and authorised by Mr O, with payments being made to legitimate cryptocurrency exchanges, there would be no valid chargeback grounds on which Barclays could have sought to chargeback the payments. On that basis, I don't consider there was any reasonable prospect of Barclays being able to recover Mr O's money.

My final decision

I don't uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 28 November 2025.

Greg Barham
Ombudsman