

## **The complaint**

Mr W complains that Barclays Bank UK PLC ('Barclays') declined to reimburse him when he fell victim to an authorised push payment ('APP') scam.

## **What happened**

The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But, in summary, between November 2021 and January 2022 Mr W made a series of faster payments and card payments towards what he believed was a legitimate investment opportunity which he had found through social media. He sent over £21,000 to cryptocurrency, and then on to the 'investment company', which I will refer to as 'M'. He believed the investment was generating large returns, and managed to do a small withdrawal early into the investment. But when he attempted to withdraw funds from his investment, M stopped responding, a group chat he was in became inactive and M's website disappeared. Mr W realised he had fallen victim to an investment scam.

Mr W got in touch with Barclays initially to ask it to raise chargebacks against most of the payments to one of two cryptocurrency providers. He later asked it to reimburse his losses on the basis that he had been the victim of a scam. Barclays did not reimburse his losses, and told our service that it lacked the level of information it needed to progress with Mr W's claim or issue an outcome on it.

Mr W escalated his complaint to our service, where one of our investigators looked into what had happened. They did not recommend that Mr W's complaint should be upheld. This was on the basis that they did not think that the payments Mr W made were so unusual or out of character that Barclays ought reasonably to have intervened or stopped the payments.

Mr W remained dissatisfied. Through his representatives, he said that whilst the individual payment values were low, the collective value ought to have been considered out of character and cause for concern. They said that the sustained high spending to a high risk recipient ought to have been identified by the bank. As no agreement could be reached, the case has been passed to me to decide.

## **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.

In summary, the starting position at law is that a bank like Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the relevant regulations (in this case the Payment Services Regulations 2017) and the terms and conditions of the customer's account.

In this case, there is no dispute that Mr W authorised the payments, even though he was tricked into doing so by the scammers. So, the starting position is that Barclays is not liable for the transactions.

But I've also taken into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time. In this case, this does not include the Lending Standards Board Contingent Reimbursement Model

(‘CRM’) Code because the funds went to cryptocurrency accounts in Mr W’s own name, which is not covered by the Code. But based on the other relevant rules relating to authorised push payment scams, I think Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual and out of character transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I consider that as a matter of good practice, Barclays should have been on the lookout for unusual and out of character transactions and where necessary, taken proportionate interventions.

Taking these things into account, I need to decide whether Barclays acted fairly and reasonably in its dealings with Mr W.

*Should Barclays have recognised Mr W was at risk of fraud or financial harm, and intervened when Mr W was making any of these payments?*

The main point of contention in this complaint falls to whether Barclays ought to have recognised that Mr W was at risk of fraud or financial harm. On the one hand, our investigator found that whilst the payments added up to over £20,000, the individual payments were not significantly high in value, and the pattern of payments spreading from November 2021 to January 2022 meant that they did not think Barclays ought to have recognised that Mr W was at risk of financial harm. They say the earlier lower value payments mean that even where there were later larger payments, the payee was not a new payee at this point.

On the other hand, Mr W’s representatives argue that collectively the payments were out of character and cause for concern. They said the sustained spending to high-risk recipients, namely to cryptocurrency, ought to have been identified by Barclays. They point to the fact that multiple transactions to the same cryptocurrency platform took place on the same day – such as on one day when the payments added up to over £4,000. They argue that even by 2021, Barclays ought to have been aware of the increasing prevalence of cryptocurrency scams.

I have thought carefully about both positions, and I am inclined to agree with our investigator that the payments were not sufficiently unusual or out of character such that Barclays acted unfairly by merely following Mr W’s payment instructions here. I am sorry as I know this will come as a great disappointment to Mr W here, but I will explain why.

I do agree that the payments in and of themselves were of values which, whilst not inconsequential, were not sufficiently large that in and of themselves they represented unusual or out of character payments – and I think Mr W’s representatives have indicated they agree with this. The largest individual payment was around £4,000, and the payee was established by the point this payment was made. I’ve gone on to think about the pattern of payments here, and whether that should have given sufficient cause for concern that Barclays ought to have intervened.

I have taken into account that these payments were made to cryptocurrency providers and I am aware that scams involving cryptocurrency are becoming increasingly prevalent and well known to banks. But, at the time these payments were made, I think it was reasonable for Barclays to take into account a wide range of factors when deciding whether to make further enquiries of Mr W about a particular payment. In this case, the pattern of payments was not obviously consistent with fraud and their values did not, in my view, indicate a heightened risk of financial harm. I have thought about the fact there are multiple payments on some days, but I do not think that this was sufficient to put Barclays on notice that Mr W was at risk. And whilst the total loss was substantial, the individual and daily amounts were not so large that I would have expected Barclays to intervene. By the time larger payments took place, the payees were not 'new payees', and were going to a cryptocurrency account held by Mr W. I appreciate that now we understand that scammers use this method frequently, but I cannot apply the standards of what we know today to Barclays in 2021 or 2022. So, in this case I think Barclays was right not to view the payments with suspicion. It follows that I think they acted fairly and reasonably in declining to reimburse Mr W's losses here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 27 February 2026.

Katherine Jones  
**Ombudsman**