

The complaint

Mrs H has complained Barclays Bank UK PLC won't refund several payments she says she made and lost to a scam.

Mrs H is represented, but for ease I will just refer to Mrs H throughout.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mrs H fell victim to an investment scam. Mrs H came across an investment advert whilst searching online for financial opportunities and entered her details. She was then contacted by the scammer and shown an investment platform. Between August and September 2024 Mrs H then sent, via a third-party cryptocurrency exchange, almost £15,000. When Mrs H subsequently tried to withdraw her 'profits' she was informed a 20% commission fee was required. She then realised she had been scammed and subsequently contacted Barclays.

Barclays reviewed Mrs H's claim but did not compensate her for the losses. Unhappy with its response Mrs H referred the complaint to us. Our Investigator looked into things but didn't recommend the complaint be upheld. They weren't persuaded, on balance, that Barclays could have prevented Mrs H from falling victim to the scam. Mrs H disagreed and requested a decision.

As our Investigator couldn't resolve the matter informally, the case has been passed to me for a final 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mrs H has been the victim of a scam here; she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mrs H is automatically entitled to recompense by Barclays. It would only be fair for me to tell Barclays to reimburse Mrs H for her loss (or a proportion of it) if: I thought Barclays reasonably ought to have prevented all (or some of) the payments Mrs H made, or Barclays hindered the recovery of the payments Mrs H made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Barclays treated Mrs H fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mrs H's complaint. I know this will come as a disappointment to Mrs H and so I will explain below why I've reached the decision I have.

I have kept in mind that Mrs H made the payments herself and the starting position is that Barclays should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Mrs H did not intend for her money to ultimately go to fraudsters, but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - 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 transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to Barclays that Mrs H might be at a heightened risk of financial harm due to fraud or a scam.

I have kept in mind the payments were to a cryptocurrency provider, but that doesn't mean they would have automatically been treated as suspicious. This is particularly so when there are no other concerning factors about the payments. Buying cryptocurrency is a legitimate activity and wasn't / isn't uncommon for account holders to use their account to do so. The exchange in question is also a legitimate one. Overall, I don't think the initial four payments were sufficiently suspicious that I would have expected Barclays to have intervened. I say this because they were not made in quick succession, or of such amounts that ought to have caused Barclays concern. There are many payments made each day and it wouldn't be reasonable for banks to intervene on every one.

As the payments continued, I would have expected Barclays to intervene on the fifth payment where Mrs H sent £5,000 on 3 September 2024. This was an increased payment and ought to have alerted Barclays to the fact Mrs H may well be at risk of financial harm from fraud or scam. It should have asked her a series of questions before showing her a cryptocurrency investment scam warning. However, I'm not persuaded this would have prevented her proceeding.

I say this because I'm persuaded Mrs H was heavily under the influence of the scammer, with cover stories supplied to her. Mrs H also confirmed she was given stories to share with banks as necessary. This is evidenced within the scam chat records - for example, on 22 July the scammer informs Mrs H to say the following:

"You must firmly tell the bank that this is a payment or a gift, so that the bank can quickly lend money

...

It cannot be called investment, otherwise the bank will definitely reject your transfer".

Mrs H then questioned whether the scammer would help her complete the transaction – to which the scammer confirmed she would. Mrs H even asked whether she should instead mislead the bank by telling it the funds were for a holiday. This too evidences the trust she had in the scammer – arguably far more so than she did in her bank who would have been trying to protect her. I'm not persuaded this level of influence could have been broken by Barclays and it is most likely Mrs H would have misled it no matter the level of intervention.

I've also noted when Mrs H was questioned by her other bank as to the purpose of a payment, she misleads it. She told it she was making the payment to a friend she had known for a couple of years. She said it was a gift and the payment details came via a text message. When the bank's questions continued Mrs H said she was going to leave the bank as this was her money to use. The bank explained to her it deals with scams every day and it was just trying to ensure she wasn't being scammed - as scammers will tell victims not to share the necessary details with their banks. After this it seems Mrs H was required to go into branch before a payment was allowed. Following this Mrs H updated the scammer, switched banks and started using Barclays to send payments. As part of the preparation, the scammer and Mrs H discussed a cover story for why she was sending funds to a cryptocurrency exchange – *"you must firmly tell the bank you want to store money in the [cryptocurrency exchange]"*.

The level of trust Mrs H had in the scammer is also evidenced by Mrs H trusting them over those close to her. When her child and a friend highlighted it could be a scam she was still not persuaded and instead reverted to the scammer to share this with them. Additionally, where Mrs H queried whether it was a scam, the scammer was able to reassure her and Mrs H continued listening to their advice.

Therefore, based on the available evidence, I'm not persuaded any intervention would have broken the spell. Mrs H would highly likely have continued reassuring whichever bank intervened with credible answers - or finding another way to make the payment if ever prevented from doing so. I've seen no evidence that the scammer's influence was sufficiently waning either. Mrs H clearly trusted the scammer and believed she was making money from a genuine investment.

Consequently, I'm not persuaded that Barclays could have prevented Mrs H's loss.

I am sorry to hear about the vulnerable situation Mrs H was in at the time of the scam and how the alleged scammers may well have exploited this to ensure she invested. The repercussions such a cruel scam has had on Mrs H are not something I have overlooked when reaching my decision. However, I have not seen a pattern emerge that would have highlighted to Barclays that she was in such a vulnerable situation, or that her situation may have been impairing her decision-making abilities during this scam. I am empathetic towards her, but I do not consider her situation, in isolation of any other clear indicators of a potential risk of financial harm, to be something that should have triggered further red flags for Barclays.

Recovery

I have gone on to consider if Barclays took reasonable steps to try and recover the funds. It's important to note Mrs H didn't instruct Barclays to send the money directly to the scammers. Mrs H completed the transfers to her own account, before sending it to the scammer's wallet. Barclays would only ever have been able to attempt to recover the funds from her own account, where no funds remained. If these funds had not already been transferred to the scammer, they would be in Mrs H's control to access as and when she chose. Therefore, I won't be asking Barclays to do anything further as there was not anything further it could have done.

The Contingent Reimbursement Model Code

Although Barclays has signed up to the Contingent Reimbursement Model Code, the payments Mrs H made from her Barclays account aren't covered by the Code because she made the payments to her other account and not to another person. I cannot fairly and reasonably say that Barclays should have to refund payments under the Code when it doesn't apply here.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Barclays to reimburse Mrs H's loss.

My final decision

My final decision is I do not uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 February 2026.

Lawrence Keath
Ombudsman