

The complaint

Mrs F and Mr Q complain that Barclays Bank UK PLC (“Barclays”) won’t refund the money they lost in an investment scam.

They are represented by a Claims Management Company. For simplicity, I’ll refer to Mrs F and Mr Q throughout this decision.

What happened

The background is known to both parties, so I won’t repeat every detail.

In summary, Mrs F and Mr Q came across what appeared to be a legitimate cryptocurrency investment opportunity on social media, seemingly endorsed by a celebrity. After clicking a link, they were added to a group on a messaging app as part of an enrolment into an “academy.” They were allocated an “assistant,” given access to a supposed trading platform, and guided through setting up accounts with crypto-exchanges to facilitate payments.

They were led to believe that this “academy” would provide expert market insights and trading signals, supported by AI to help them trade successfully and make returns. Motivated by hopes of improving their family life and finances, they initially invested relatively small amounts. Over time, they were persuaded to invest larger sums, based on the belief that higher investments would help manage market fluctuations and increase potential profits.

By the time they realised that this was all a scam, more than £37,000 had been sent from Barclays for ‘investment’, through crypto-exchanges, between 14 January and 25 February 2025. The money came from savings, a credit-card payment, and a personal loan.

A complaint was made to Barclays and then referred to our Service. Our Investigator didn’t uphold it. In short, he noted Barclays and Mrs F and Mr Q’s other bank (‘Bank L’) had intervened on payments. He wasn’t persuaded that the scam would have likely been prevented given the warnings they received, what happened during interventions, and the messages that were exchanged with the scammer, indicating they were heavily under their ‘spell’. As the matter couldn’t be resolved informally, it 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.

Having done so, I’ve reached the same conclusions as the Investigator. Mrs F and Mr Q will understandably be disappointed by my decision, but these are the key reasons for it.

Authorisation

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (2017) and the terms and conditions of the customer’s account. It’s not

in dispute the payments in question were authorised, so Mrs F and Mr Q are presumed liable for their losses in the first instance, even though the payments were lost as part of a scam.

Prevention

Taking into account the relevant law, regulatory rules and guidance, industry codes, and what I consider to be good practice at the time, Barclays should have been alert to the potential risk of fraud. It should have taken additional steps or carried out further checks before processing payments, in some circumstances.

In this case, based on the payment activity — including factors such as the size of some payments and the increased scam risks associated with the type of payees — I think there were points at which Barclays had enough reason to intervene. However, as the Investigator noted, both Barclays and Bank L did intervene. And, on the evidence, I'm not persuaded that proportionate interventions would likely have prevented the scam, such that I can fairly and reasonably hold Barclays responsible for Mrs F and Mr Q's losses.

The first intervention by Barclays took place on 14 January 2025, when a £1,000 payment was made to a crypto-exchange. Because the payment purpose selected was "Investment or cryptocurrency", Barclays issued an automated warning. This warned about fake documents and websites, the risk of social-media adverts, the need to check the FCA ScamSmart tool, and the importance of being extremely cautious when investing in cryptocurrency, especially where someone else has access to the customer's wallet or the offer sounds too good to be true. I'm satisfied this intervention was proportionate to the risk presented at that time.

A second intervention took place on 24 February 2025, when Mrs F and Mr Q attempted their largest payment of £25,000. The payment purpose selected was "something else", so Barclays followed up with a call. In that call, Mr Q was asked to answer truthfully about the payment. He explained that he was transferring the funds for a "long-term investment" and confirmed the money was being sent to Mrs F's investment account. He also said he wasn't dealing with any brokers or advisers. When asked whether anyone had asked him to join a messaging group or reassured him that the investment carried no risks, he replied "no it's not a group account...not at all" and that nobody had told him what to do with his money. When asked how he became aware of the investment, Mr Q said he had been "dealing with it for quite a while", he was trying to improve, and that the turnover was very good. He also said he intended to send a further £5,000 the following day. At the end of the call, Mr Q said he was satisfied with the checks carried out and was happy for the payment to be released.

Bank L also intervened. On 13 February 2025, it spoke to Mrs F. She confirmed she was sending the money to her crypto-exchange for a crypto-investment. She said she was trying to invest in the "long-term" because she believed there would be profitability following a change in leadership in the USA. When asked more about the investment, she said she was buying cryptocurrency from the exchange and holding it in her wallet. Mrs F was warned about cryptocurrency scams — including contact from someone online claiming to help with trading. She responded she was "doing it by myself". She was also warned that, although her crypto-exchange was genuine, anyone asking her to move money away from that exchange, would be a scam. Mrs F was happy for the payment to be released.

Bank L intervened again on 24 February 2025. Because the payment was funded by a loan Mrs F had taken out, she was asked for more information about what was happening. Mrs F explained that the money was being sent to her joint Barclays account. She confirmed that nobody had contacted her asking her to move the money, and that no one had asked her to apply for the loan. She said the funds were for construction materials and home renovations. She was warned that scammers often persuade victims to take out additional loans or credit to fund the scam, especially in investment scams where victims are promised high returns.

Mrs F repeated that the money was simply for renovations. She also confirmed that she had not been asked to mislead the bank about the purpose of the payment or where the money was going. She was told that being coached on what to say to a bank is a common red flag for fraud, and that there would be no legitimate reason for anyone to do that.

I've reviewed the scam chats that have been provided, and I'm satisfied Mrs F and Mr Q relied on some of the scammer's coaching when speaking to the banks about what they were involved in. Some of their responses to key questions weren't consistent with the truth, and I can't overlook that at no point was the involvement of a third party disclosed. I also agree with the Investigator that the messages show Mrs F and Mr Q taking steps, such as moving funds between banks, to avoid blocks. I fully appreciate why they acted this way. They didn't know they were being scammed and they were victims in all of this. But some of the warnings they received should have resonated. And given the level of influence the scammer evidently had over them at the time of the payments, with Mrs F even offering to send money to them directly to avoid detection, I'm not persuaded the scam would likely have been prevented, even if Barclays had probed or intervened more often than it did.

This isn't a decision I've made lightly. I'm very sorry Mrs F and Mr Q were scammed and I recognise how deeply this experience has affected them. I understand why they want to do all they can to recover their money. However, to hold Barclays responsible for those losses, I would need to be satisfied that proportionate steps on its part would likely have prevented what happened. For the reasons I've given, I can't fairly conclude that this is the more likely scenario. As for recovering the funds, I agree with the Investigator there was little Barclays could have done. By the time the scam was reported, the money had been sent and neither a chargeback nor a section 75 claim would likely have succeeded in these circumstances.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr Q to accept or reject my decision before 6 March 2026.

Thomas Cardia
Ombudsman