

The complaint

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

Mrs J has referred the complaint to us using a representative. However, for ease I will refer to Mrs J 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 J says she fell victim to an investment scam after investing £9,500 in April 2022. She made numerous transfers to a cryptocurrency exchange, before forwarding her funds to the scammers. Mrs J believed she was sending funds to a credible investment opportunity. However, she subsequently ascertained it was a scam and raised a complaint with Barclays. Barclays did not uphold her complaint and so she referred it to us.

Our Investigator considered the complaint but did not think there was enough evidence to show Mrs J's losses were due to investing into this scam. However, he also considered that even if Mrs J's funds been sent to this investment scam it would not change the case outcome. He found that Barclays had intervened on multiple occasions, via human intervention, which was reasonable. He also considered that Mrs J prevented Barclays uncovering the scam by not being forthcoming with her answers in these calls. Instead choosing to not share her true investment plans.

As the complaint could not be resolved informally it has been passed to me to issue 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 am sorry to hear that Mrs J says she 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 she may well have lost money to a scam does not mean she is automatically entitled to recompense by Barclays. It would only be fair for me to tell Barclays to reimburse Mrs J for her loss (or a proportion of it) if: I thought Barclays reasonably ought to have prevented all (or some of) the payments she made, or Barclays hindered the recovery of the payments Mrs J 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 J 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 J's complaint. I know this will come as a disappointment to her and so I will explain below why I've reached the decision I have.

I have kept in mind that Mrs J 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 J 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.

I have kept in mind the payments were to a cryptocurrency provider, but that doesn't mean they would have automatically been treated as linked with a scam. Buying cryptocurrency is a legitimate activity and it wasn't / isn't uncommon for account holders to use their account to do so. The exchange in question is also a legitimate one. I've kept in mind that these payments were made in 2022 as well – where industry knowledge of scams was not the same as now.

Having considered Mrs J's payments, I do not think Barclays could have prevented the losses she says she incurred because of this scam. Mrs J has been able to supply some evidence that suggests she may well have been part of this scam. Although I cannot be sure exactly of her loss, or whether the loss did stem from this investment scam, as our Investigator has highlighted it does not ultimately change the outcome of this complaint. I say this because Barclays did intervene as Mrs J completed her payments, but she was not forthcoming with the answers which would have allowed Barclays the opportunity to potentially prevent her losses occurring.

During her initial payment of £100 I would not have expected Barclays to have intervened, due to the low value of this payment. There was nothing at this point to suggest Mrs J may be at risk of financial harm because of a scam. However, I understand Mrs J was shown a new beneficiary general scam warning.

However, Barclays then proceeded to intervene during Mrs J's next three payments, first requiring Mrs J to speak with it before it released them. During these calls, amongst other points, Mrs J informed Barclays of the following:

- She had not decided where to invest after sending the funds to the exchange.
- She didn't want to discuss the investment.
- No-one asked her to make the payments towards this investment; she decided to do so alone after her own research and understanding.
- She was just trying to do something more meaningful with her money.
- She checked to see if the cryptocurrency exchange she was using was regulated.
- She was not making the payment on behalf of someone else.
- She believed she could withdraw funds from the cryptocurrency exchange.
- She did not need more time to think about the payments.

Barclays confirmed with Mrs J that she understood if it was a scam she would not get her money back. Mrs J said she understood and that she wanted to proceed.

The answers Mrs J gave did not highlight any of the common hallmarks of a cryptocurrency investment scam. Instead, Mrs J's responses implied she was investing in a legitimate cryptocurrency exchange - but had not decided specifically what she would be doing with those funds at that point. She also made it clear she was seeking to make further payments and did not want to speak with Barclays each time – which highlights her confidence in her actions and frustration towards Barclays' interventions.

I do not have sufficient details of what conversations may have taken place between Mrs J and the scammers. So, this makes it difficult to ascertain the level of influence the scammers held over her. However, Mrs J subsequently informed us that she did not want Barclays to dissuade her from completing the investment she wanted. Nor did she want Barclays to pressure her into taking one of its investment products instead. I appreciate Mrs J may well have been so convinced by the scam she felt concerned that by being truthful it would have prevented her making the investment she wanted. So, on balance, I'm not persuaded Barclays would have been able to uncover the scam at any point. Mrs J would most likely have continued providing credible answers which would have reassured Barclays.

I do not think it would have been reasonable to have expected Barclays to have probed further in this instance. Its interventions must not amount to interrogations and having listened to the available calls the questions they asked were appropriate. If Mrs J had been more forthcoming with her answers, such as sharing the name of the company she was ultimately investing with, it's highly likely Barclays would have recognised she was falling victim to a scam and stopped her payments.

For completeness, I'll add that I have noted Mrs J states she was vulnerable due to her lack of investment experience. However, I am not persuaded that Barclays reasonably could have ascertained that Mrs J may have had such a vulnerability from its contact with her, or that it was impacting her decision-making abilities. Nor have I seen that Mrs J made Barclays aware of such a vulnerability.

Although I am sorry to hear of Mrs J's losses, I'm not persuaded that Barclays could have prevented what occurred. Therefore, it would not be fair of me to decide that Barclays must compensate her.

Recovery

I have gone on to consider if Barclays took reasonable steps to try and recover the funds. It's important to note Mrs J didn't instruct Barclays to send the money directly to the scammers. Mrs J completed the transfers to her own account at the cryptocurrency exchange. Barclays would only ever have been able to attempt to recover the funds from Mrs J's own account. If

these funds had not already been transferred to the scammer, they would be in Mrs J's control to access as and when she chose. Therefore, I won't be asking Barclays to do anything further.

The Contingent Reimbursement Model Code

Although Barclays has signed up to the Contingent Reimbursement Model Code, the payments Mrs J made from her Barclays account aren't covered by the Code. This is because she made the payments from her Barclays' account 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 J'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 J to accept or reject my decision before 28 November 2025.

Lawrence Keath
Ombudsman