

The complaint

Mr L is unhappy that Barclays Bank UK PLC won't refund him all the funds lost after falling victim to an investment scam.

Mr L's complaint is brought through professional representatives. But for ease I'll refer to Mr L throughout this decision.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Following retirement, Mr L was considering new investment opportunities in order to protect the value of his savings against rising inflation and to supplement his pension. Mr L conducted an online search for an investment broker and came across a company I'll refer to as X.

Mr L began engaging with X whom he was convinced were a genuine investment broker and began making payments in order to invest with them. Mr L originally began investing with X in August 2022. He held regular trading sessions with X and was in regular contact with them. By early 2023, Mr L was making payments in relation to X which he believed would then allow him to withdraw his profits. Upon X's instructions, Mr L made four payments totalling £105,000 to his cryptocurrency account to facilitate this. It should be noted that Mr L has other losses that also relate to X with other financial businesses, some of which are the subject of separate complaints at this service.

An agreement was reached with X that Mr L could make a substantial withdrawal, but this would have to be done in two parts. He was initially provided with a £500 withdrawal, following which he was expecting a withdrawal of \$750,000 and more.

Mr L continued to pursue the withdrawal, which included raising a separate complaint at this service with the financial business he was expecting the funds to come from. And when this didn't come to fruition, Mr L raised a claim and complaint with Barclays.

In August 2024, Barclays informed Mr L that it had closed his complaint pending evidence relating to his loss. And by November 2024, it wrote again to Mr L explaining that upon further review, it agreed to refund half of his loss plus interest.

Mr L advised that he did not accept that outcome as he believed that he'd taken all reasonable precautions to safeguard his interests. He considered that it was Barclays' failure to warn him that resulted in his losses to X.

Our investigator didn't uphold Mr L's complaint. He considered that Barclays' offer was more favourable than the outcome he would have otherwise reached. He was also mindful that Barclays had not taken into account within its offer, that Mr L's account the £500 'withdrawn' and £25,000 that was returned from his cryptocurrency account. Therefore, he wouldn't be

asking Barclays to provide any further refund. Mr L disagreed explaining that an appropriate intervention from Barclays would have served as a sufficient warning of the potential danger he was in.

As an agreement couldn't be reached, the case has since 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.

I'm mindful that Mr L's representative has written at some length regarding this complaint. In this decision I've focussed on what I think is the heart of the matter here. As a consequence, if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider is a fair and reasonable outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

As such, the purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by the parties to this complaint, and reach what I think is an independent, fair and reasonable decision, based on what I find to be the facts of the case.

And having done so, I agree with the conclusions reached by the investigator. I'll explain why.

It isn't in dispute that Mr L authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Barclays is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Barclays has provided a limited record of the interventions or interactions that took place at the time Mr L made the disputed transactions. And Mr L's complaint submissions make no reference nor give any recollection of any interventions that might have taken place with Barclays. Having carefully considered Mr L's account activity, just like our investigator I'm persuaded Barclays ought to have recognised the payment of £15,000 carried a heightened risk of financial harm from fraud. But this in and of itself, isn't enough for me to say that Barclays should refund Mr L the money he lost. Although I consider that Barclays should have intervened, I'd also need to be persuaded that any proportionate intervention/questioning would have made a difference and prevented the payments from being made. Of course, I can't know for sure what would have happened, so I have to base my findings on the balance of probabilities – that is, what I think is more likely than not to have happened, taking into account what I know.

In response to Barclays offer, Mr L explained to this service that:

- if he had access to the information that has since become publicly available on X, he certainly would have acted differently; and not invested with them in the first place.
- his decisions and actions were based on what they knew at the time, without the benefit of hindsight.
- he first conducted an online search which did not reveal any problems with X.
- he is by nature, exceedingly cautious so, before investing, thoroughly checked out X, looking into reviews and whatever else he could find online. He found no warnings from any authority or other reports to suggest that X was not legitimate or was a scam.

- he undertook as much research as he could, and given that he was new to investing, and at various stages sought advice and guidance as appropriate and did informally seek advice as appropriate.
- this was not a “get rich quick” scheme and that X presented itself as a normal broker. He was given the impression that he was trading on a genuine platform where he could see the value of his investments rise and fall in line with market fluctuations that he could and did independently verify.

Barclays records show that for the payment of £15,000, he was asked to provide the payment purpose. And in this instance, he selected ‘Something else’. I’m not satisfied that was not an accurate reflection of what the purpose of the payment was for.

By the time of these disputed transactions, Mr L already made significant payments relating to X from other accounts. However, there were factors that ought to have alerted Barclays to concerns about what he was doing. At this stage, the payments Mr L was making were identifiably being made in relation to cryptocurrency. Cryptocurrency investment scams had become more prevalent in 2023 and Barclays ought to have been alive to this. With this in mind, had Barclays intervened, it ought to have taken that into account regardless of the payment purpose Mr L had selected/ provided and I think Barclays could have asked further questions relevant to the typical hallmarks of cryptocurrency investment scams. Whilst not an exhaustive list, questions such as; whether there was a third party involved and if so how Mr L found them, whether he’d been promised unrealistic returns, whether remote access was involved and whether he’d made any withdrawals, whether he’d been coached to lie and whether he’d done any due diligence.

Mr L has provided evidence that X had since directed him to download remote access software and the payments he was making were being made in the belief that this would subsequently allow him to withdraw his funds.

That said, I’m not persuaded Mr L would have been forthcoming with this information at this juncture that would have enabled Barclays to identify he might be falling victim to a scam. I say this because Mr L had already selected ‘Something else’. And later payments he made (which were transfers to other accounts – which also facilitated payments lost to the scam), he’d also incorrectly labelled as ‘renovation’ and ‘expenses’. And when another financial business intervened in earlier payments also lost to X, he wasn’t truthful in his responses either. Mr L expressed that whilst he doesn’t recollect those interactions, it would have been because he was coached by X in order to expedite the process.

Mr L was persuaded that X was a *‘bona fide operator’* and first got involved with X in August 2022. And at the time he got involved with X, it did not bear the typical hallmarks of an investment scam. I say that because from the available evidence, Mr L was not cold called or contacted out of the blue, he actively sought out an ‘investment broker’ and came across X. Mr L was able to engage directly with X prior to any agreed ‘investment’ being made and those interactions didn’t pressure Mr L into making payments/ investing and he held regular video conference calls with X. Mr L also had access to what he believed was his online trading account with X which looked professional and reflected what he was being told about profits earned in emails he received. But most importantly, I’ve not seen anything that would’ve been available in the public domain at the time that would have alerted to Mr L any concerns regarding X. And from Mr L’s own submissions, he was of the view *‘that if there had been anything “dodgy” about the recipient or the investment, they would have been aware or would have been able to find out, and would not have proceeded with the transactions’*. And of the communications he had with X, the information Mr L received he says *‘appeared consistent with what was going on in the market’* which he was able to independently check.

I’ve also reviewed the Investor Alerts Portal of the International Organization of Securities

Commissions (“IOSCO”), the international body that brings together the world's securities regulators. And the Financial Conduct Authority ‘FCA’ (as the UK regulator) also has its own warning list, which is in place to share alerts and insight about merchants that have been identified as potentially being fraudulent or unauthorised. Upon checking both, I have found that X was reported by one overseas regulator, however this wasn’t published until after Mr L’s involvement and losses to X.

With the above in mind, I still would have expected Barclays to have provided Mr L with a warning about cryptocurrency investment scams and to ensure that he was comfortable before proceeding. It follows that I don’t think Barclays would have been concerned that Mr L was at risk of financial harm, and I think Mr L would have wanted to proceed with the payments.

Lastly, I’ve considered whether there are any ways Barclays could have recovered Mr L’s money, but I don’t consider it could have. Mr L bought genuine cryptocurrency with the funds which he sent on as part of this scam. So he did receive what he paid for, even if he then lost it due to the scam.

I’m mindful of the impact such a significant loss has had on Mr L. It’s very unfortunate he has lost this money in this way, and I do have a great deal of sympathy for him. But in the circumstances, having carefully considered everything, despite Barclays’ offer to refund 50% of Mr L’s losses – which it has already paid, for the reasons I’ve set out above, I don’t find Barclays could have reasonably prevented Mr L’s losses here. Neither do I find there were any other failings on Barclays’ part that would lead me to uphold this complaint. Therefore, I won’t be asking it to do anything further.

My final decision

My final decision is that I don’t uphold this complaint.

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

Mark O’Connor
Ombudsman