

The complaint

Mr C and Miss D complain that Barclays Bank UK Plc ('Barclays') hasn't refunded the money Miss D lost to an investment scam.

Miss D referred the complaint to this service with the help of a professional representative. However, for ease of reading, I'll refer only to Miss D, as she made the payments in dispute.

What happened

Miss D says that in December 2020, a friend of hers (whom I'll refer to as 'J') recommended an investment opportunity with a business, which I'll refer to as 'Company C'. J had already invested with Company C and showed Miss D what appeared to be good returns on her investment.

Miss D has explained that she decided to invest with Company C. However, she needed to invest using cryptocurrency and, at the time, she didn't have a digital wallet with a cryptocurrency exchange. Instead, she sent £2,200 and £5,000 to J on 23 December 2020 on the understanding that J would invest the funds with Company C on Miss D's behalf. On 18 January 2021, Miss D sent £37,700 to J to increase her investment with Company C.

Miss D says she also added another £100,000 to her investment with Company C by sending £50,000 to a currency exchange provider, which I'll refer to as 'Company R' on 25 January 2021 and again on 26 January 2021.

Miss D says she made further investments with Company C, by sending £2,000 on 9 February 2021; £47,000 on 10 February 2021; £17,000 on 15 February 2021; and £30,000 on 16 March 2021. All these payments went to an unknown third party, which I'll refer to as 'Company J'.

In total, Miss D says she invested £240,900 with Company C, via three different intermediaries. All payments were made from her Barclays account.

Miss J says that she did subsequently create a digital wallet with a cryptocurrency exchange, after which she was able to make withdrawals from her investment with Company C. However, these suddenly stopped around January 2022, and Miss D became aware that she'd been the victim of an investment scam.

In July 2024, Miss D made a complaint to Barclays and asked it to reimburse her loss. Barclays said Miss D hadn't provided sufficient information or evidence of the scam she said she'd fallen victim to and so it didn't reimburse her. Barclays asked Miss D for further details so it could consider her claim for reimbursement. However, Miss D referred her complaint to this service instead.

Our Investigator considered the complaint but didn't uphold it. In summary they said Miss D hadn't provided any evidence to demonstrate that her payments to J, Company R or Company J related to a scam orchestrated by Company C. As a result, they didn't think it was fair to ask Barclays to reimburse Miss D's loss.

Miss D didn't accept our Investigator's opinion. She was able to provide the account history for her digital wallet with a cryptocurrency exchange, which showed that between 3 June 2021 and 27 January 2022, Miss D received 30 credits in Bitcoin ('BTC'), totalling 3.579938 BTC. She also provided evidence to show that she had converted some of the BTC into fiat currency and transferred this to her Barclays account and another account held overseas.

Our Investigator wasn't persuaded to change their opinion. They explained to Miss D that whilst the account history for her digital wallet showed she had received BTC credits, there was nothing to show who those credits had come from and nothing to demonstrate the transactions related to Company C. They also explained that even if Barclays had done more to question why the disputed payments were being made, they weren't persuaded Miss D would've acted differently.

As an informal agreement couldn't be reached, the complaint 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.

I'm sorry to disappoint Miss D, but after considering all the available information and evidence regarding her complaint, I've decided not to uphold it. I know this will come as a huge disappointment to Miss D, so I'll explain why.

In December 2020, Miss D moved abroad and purchased a property. To do so, she sent £241,300.68, via six payments, to Company R. At the time, Company R was authorised and regulated by the Financial Conduct Authority as an "Authorised Payment Institution". It was engaged in currency exchange activities. So, presumably, Miss D sent the funds to Company R, converted them into the local currency where she'd moved to and then used the funds to purchase her property.

I appreciate that by 25 and 26 January 2021, Miss D had completed the purchase of her new property. So, the payments to Company R on those dates are unlikely to relate to the property purchase. However, Miss D hasn't provided any evidence to suggest those two payments, totalling £100,000 were, in any way, connected to Company C. There was no need for Miss D to convert funds into another fiat currency before investing with Company C – she could've invested without using a currency exchange service such as Company R.

There are other reasons why Miss D may have sent funds to Company R. She's explained that the property she purchased needed renovating and so it seems more likely that she exchanged funds, via Company R, to pay for building work (or other expenses relating to relocating abroad), rather than for investing with Company C. And, in the circumstances, I'm not as persuaded as I'd need to be that the payments to Company R in January 2021 relate to an investment with Company C and I've seen no evidence to suggest otherwise. As I'm not persuaded those payments were, more likely than not, related to a scam, I don't think Barclays can fairly be held responsible for refunding them.

Miss D hasn't been able to provide any documentary evidence that the other disputed payments were made towards an investment with Company C, only her testimony. So, I can't be certain that the payments were made towards Company C or another potential scam.

I can see, from Miss D's account history with her digital wallet with a cryptocurrency exchange that she did receive approximately £120,000 to £125,000 worth of BTC between June 2021 and January 2022. Miss D says these were returns she received from Company C, which I accept is possible. So, I've assumed Miss D did invest some funds with Company C. From what I know of Company C, I think it was most likely a scam and so I've considered whether the remaining disputed payments ought to be reimbursed.

At the time of Miss D's payments to J and Company J, Barclays was signed up to the Lending Standards Board's Contingent Reimbursement Model ('CRM') Code, which required firms to reimburse customers who'd been the victims of authorised push payment ('APP') scams in all but a limited number of circumstances.

For the CRM Code to apply to Miss D's circumstances, I need to be reasonably satisfied that it's more likely than not that her payments to J and Company J were made for a fraudulent purpose – i.e., Miss D was the victim of an APP scam, and the funds were criminally obtained by J and Company J.

J was Miss D's friend and who had introduced Miss D to the investment opportunity with Company C. Miss D says that J had already invested with Company C. Miss D paid J because she says she didn't have her own digital wallet with a cryptocurrency exchange at the time and, as the investment needed to be made in cryptocurrency, Miss D sent her funds to J so they could be invested via J's digital wallet with a cryptocurrency exchange.

I've been provided with no evidence to suggest J didn't convert Miss D's funds into cryptocurrency and send this to Company C. And Miss D hasn't alleged that J stole her funds or was in any way involved in orchestrating Company C's scam, other than introducing Miss D to it. As there's nothing to suggest J received Miss D's funds for a purpose other than to invest them on Miss D's behalf, I'm not persuaded the CRM Code definition of an APP scam has been met and I don't think it applies to those payments.

Miss D hasn't provided any information about Company J or explained what its role was in receiving payments from her. I've carried out research of my own to establish if Company J was connected to Company C and whether it likely received Miss D's funds for a fraudulent purpose. However, I've found no information linking the two companies.

It's possible that Company J received Miss D's funds with the intention of stealing them, rather than investing them with Company C, or that Company J was collaborating with Company C and received the funds under a false pretence that the funds would be invested with Company C.

However, it's also possible, that like Miss D's arrangement with J, she sent funds to Company J and Company J invested them with Company C on her behalf. It's also possible that Miss D purchased cryptocurrency directly from Company J (a practice better known as a "peer-to-peer cryptocurrency purchase"), deposited the cryptocurrency into her own digital wallet with a cryptocurrency exchange and then sent the cryptocurrency to Company C herself.

Unfortunately, due to the lack of information and evidence, there's no way for me to say it's most likely that Company J received Miss D's funds for a fraudulent purpose. As a result, I'm not persuaded Miss D has demonstrated that the CRM Code definition of an APP scam has been met when she sent funds to Company J.

However, that isn't the end of the story. Good industry practice required Barclays to be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to warn the customer about the risks of proceeding.

The payments, which Miss D says are connected to an investment with Company C, were mostly large in value (except for the first payments Miss D made to J and Company J). Around the time the disputed payments were made, Miss D had made some large payments in connection with an overseas property purchase. However, the values of the disputed payments weren't typical for Miss D's account activity, and I think they did demonstrate that Miss D was at greater risk of financial harm from fraud. In those circumstances, I'd have expected Barclays to have questioned Miss D about the payments before processing them.

Barclays did question the £37,700 payment Miss D sent to J. Miss D said she was paying a "good friend" who she had just spent Christmas with, she wasn't under any pressure to make the payment, and it was for a new business opportunity she and J had entered into together. Miss D made no reference to the payment being made for a cryptocurrency investment with Company C or that J was planning on sending the funds to Company C on her behalf. Miss D also said she and J were planning on becoming sellers on a well-known online marketplace and that they were investing in stocks and shares.

If Miss D was investing with Company C, it's unclear why she gave inaccurate answers to Barclays. This doesn't give me the impression that she would've revealed the true purpose of the disputed payments she made. Also, as Miss D says Company C was recommended by a good friend and she had seen evidence of the returns J had made, I think it's unlikely that any scam education from Barclays would've resonated with her or resulted in her acting differently. As a result, I'm not as persuaded as I'd need to be that Barclays could've prevented the disputed payments being made, or Miss D's loss occurring.

Miss D didn't report her loss to Barclays until around three years after the disputed payments were made. Given the time that had passed, I think it's highly unlikely that any of her funds would've remained in the beneficiary accounts. As a result, I don't think there was anything Barclays could've done to mitigate Miss D's loss.

Miss D has suffered a life changing financial loss and I have natural sympathy for her. However, as I'm not persuaded Barclays could've prevented the loss or taken steps to recover her funds, I'm not persuaded Barclays can fairly be held responsible for reimbursing her in the circumstances.

My final decision

For the reasons explained above, 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 C and Miss D to accept or reject my decision before 12 February 2026.

Liam Davies
Ombudsman