

The complaint

Mr P complains that Barclays Bank UK PLC won't refund him the money he lost in an investment scam.

What happened

The circumstances surrounding this complaint are well known to both parties, so I haven't set them out in detail here. Instead, I've summarised what I consider to be the key points.

Mr P says he was thinking about investing some money and found an opportunity when searching online. He did some research into the investment, which offered a return of his initial deposit plus a profit of 10% over a short period and he decided to invest.

In order to invest, he needed to make payments in cryptocurrency, so he paid some money from his Barclays account to a cryptocurrency account he had already set up a few years earlier. He converted the money into cryptocurrency and sent it on from there.

He says he started by making a small investment and when he received the promised returns, he made another small investment, which also provided the promised returns. When he made a larger investment, he began to have difficulties and he was told he needed to pay additional amounts. This is when he started to realise he had been scammed.

Mr P made the following payments as part of this scam:

Date	Amount	Payment type	Destination
26/08/2024	£1,100	Card payment	Own cryptocurrency account
29/08/2024	£320	Card payment	Own cryptocurrency account
01/09/2024	£900	Card payment	Own cryptocurrency account
01/09/2024	£1,500	Card payment	Own cryptocurrency account
04/11/2024	£40	Card payment	Own cryptocurrency account

Mr P complained to Barclays about these payments and about another payment he had made as part of the same scam, on 4 November 2024, from his business account. Barclays didn't uphold his complaint about the payments from his personal account, but it did uphold his complaint about the payment he sent from his business account (not included above).

Mr P says he had reasonable grounds to think the investment was genuine, having researched it online and having started by making small payments that produced the expected returns. He feels Barclays ought to have intervened and asked questions about some of the payments because they were unusual and out of character for his account. For example, he'd made two large payments on 1 September 2024 within five minutes of each other. He thinks the fact that the payments were being sent to a cryptocurrency exchange, they were made in quick succession and for increasing amounts, were all suspicious factors. He thinks Barclays hasn't considered the complaint holistically and it is being inconsistent by upholding the complaint about the business account but not the personal account.

Mr P says Barclays ought to have raised chargeback claims and missed an opportunity to

recover his money and hasn't acted within the spirit of the Contingent Reimbursement Model (CRM) Code.

Barclays says the CRM code doesn't apply to these payments because it doesn't cover card payments and doesn't cover payments made between two accounts controlled by the same person. None of the payments were flagged as suspicious and it didn't consider it had missed an opportunity to intervene.

Our investigator didn't uphold Mr P's complaint. He wasn't persuaded that the payments Mr P made from his Barclays account were sufficiently unusual that Barclays ought to have intervened. He said this because they were relatively low value, not particularly frequent, didn't follow known fraud patterns and weren't out of character with other payments made from Mr P's account. He wasn't persuaded Barclays ought to have raised chargeback claims because the payments were made to another account Mr P controlled and the payments successfully credited that account.

Mr P didn't agree and so the complaint has been passed to me for an ombudsman's 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.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Mr P authorised the payments and Barclays made the payments in accordance with Mr P's instructions.

The Contingent Reimbursement Model (CRM) Code doesn't apply in this case because Mr B was making payments to another account that he controlled (his cryptocurrency account) and it also doesn't apply to debit card payments. The same is true for the new APP scam reimbursement rules that came into effect on 7 October 2024, shortly before Mr P made the final payment. I've considered Mr P's comments about Barclays not having acted in the spirit of the code, but the code is specific on these points and intentionally does not apply to payments like the ones Mr P made.

I've also taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think Barclays ought to have been on the lookout for the possibility of fraud and made additional checks before processing payments in some circumstances.

Having considered everything, I agree with the investigator that these payments weren't sufficiently unusual to the extent that I would have expected Barclays to have intervened. Barclays has a balance to strike in how it configures its systems to try and identify unusual activity that might represent a risk of fraud to its customers. It wouldn't be reasonable or practical to expect Barclays to intervene in every transaction to check whether it might be connected with fraud.

All of the payments Mr P made and which form part of this complaint were relatively small and Mr P had made larger payments in the months leading up to these transactions. So the amounts involved weren't out of character with other payments Mr P had made previously. Other than the two payments on 1 September 2024, I don't consider these payments were particularly frequent and they didn't follow any particular pattern, with small amounts

following large amounts, some payments made close together and others nearly two months apart. The account balance fluctuated in the months before the payments were made, sometimes in overdraft, sometimes with a balance of several thousand pounds. The payments Mr P made to his cryptocurrency account didn't change that pattern or noticeably drain the account. While they were all payments to an account with a cryptocurrency platform, weighing up all the factors, I don't consider there was sufficient reason for Barclays to have intervened to prevent these payments or to ask further questions about them, so I don't think Barclays is at fault here.

I don't agree that Barclays is inconsistent in not upholding Mr P's complaint about these payments even though it has upheld a complaint about a similar payment from his business account. It said the payment from the business account was unusual for that account and it is entitled to take that view, taking into account a range of factors. It seems to me that a business account is likely to be run quite differently to a personal account and the type of transactions that are considered unusual for a business account will be different again.

Recovery

I would expect Barclays to have raised chargeback claims if it had grounds to do so under the relevant card scheme rules and there was a reasonable chance of those claims succeeding. But in the circumstances of Mr P's complaint, I don't think there was any reasonable prospect of making successful chargeback claims. I say this because Mr P made these card payments to his own cryptocurrency account with a legitimate cryptocurrency platform. The money credited that account and so the payments he made from Barclays were correctly completed in line with his instructions – essentially, he received the service from his cryptocurrency platform that he had used his card to pay for. In those circumstances, if Barclays had raised chargeback claims with the cryptocurrency platform, it would most likely have defended the claims successfully.

Overall, for the reasons given above, while I sympathise with Mr P because he appears to have been the victim of a scam, I don't consider Barclays is responsible for his loss.

My final decision

I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 December 2025.

Greg Barham
Ombudsman