

The complaint

Mr A complains that Barclays Bank UK PLC won't refund money he lost when he was a victim of an investment scam.

Mr A is represented by a firm I'll refer to as 'W'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr A saw an online advertisement for an investment opportunity with a firm that I'll refer to as 'IQH' – although I understand IQH took over the firm Mr A initially dealt with. As part of the scam, Mr A used an account with another EMI provider (which I'll refer to as 'R') to purchase crypto and forward it to IQH's platform. Mr A has said that IQH used AnyDesk to demonstrate how to use their platform.

Mr A made the following transactions from his Barclays account to his R account to fund the scam:

Date	Transaction	Amount
13 September 2023	Debit card	£300
24 October 2023	Fund transfer	£400
17 November 2023	Fund transfer	£1,000
23 January 2024	Fund transfer	£2,700
23 January 2024	Fund transfer	£300
23 January 2024	Fund transfer	£2,000
16 February 2024	Fund transfer	£8,000
27 February 2024	Fund transfer	£6,000
20 March 2024	Fund transfer	£7,300
20 March 2024	Fund transfer	£2,700

Mr A has explained he realised he'd been scammed when his withdrawal request from IQH's platform was blocked.

W complained, on Mr A's behalf, to Barclays on 17 January 2025. They said Barclays didn't do enough to protect Mr A from the scam – as they ought to have identified the large payments, performed further checks or warnings to ensure Mr A understood the risks, and tried to warn him to be careful/stop making them. If this had happened, Mr A would've been able to take the necessary protections to prevent any loss. To settle the complaint, Barclays should refund Mr A.

Barclays didn't uphold the complaint, and it was referred to the Financial Ombudsman.

Our Investigator didn't think Barclays had to do anything further. In short, he said:

- He wouldn't have expected Barclays to have carried out any additional checks before processing the payments up to, and including, 23 January 2023.
- It would've been reasonable for Barclays to have carried out additional checks before processing the £8,000 payment. And a proportionate response to this would've been for Barclays to have asked a series of questions and provided a warning tailored to the responses Mr A provided.
- But even if Barclays did this, he didn't think it would've uncovered the scam or prevented Mr A's loss. This is because, when R questioned Mr A about payments he made as part of the scam, he provided them with inaccurate information which prevented it from being uncovered.
- He also wasn't persuaded Mr A had evidenced that all the funds had been lost to the scam.
- Barclays couldn't have done anything to recover the funds Mr A lost, as it had already been forwarded on from his R account.

W disagreed with our Investigator. In short, they said:

- They agree that the £8,000 payment carried a heightened risk of fraud which should've been flagged by Barclays' fraud detection system. But they think an intervention would've prevented Mr A's loss.
- They emphasised that Barclays are expected to detect red flags and patterns of suspicious behaviour and provide effective warnings to their customers before processing high-risk transactions. In the absence of such an intervention, Mr A was left exposed and unsupported.
- Had Barclays carried out a human intervention and questioned the circumstances of the payments Mr A was making, including specifically asking if a third party was involved, he would've revealed who he was investing with. In turn, a quick check on this firm would've uncovered an FCA warning – which would've prompted Mr A not to make any further payments.
- They considered that sufficient evidence had been provided to demonstrate Mr A's loss to the scam.

The matter has now 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 Mr A has been the victim of a scam, and I don't underestimate the impact this has had. But while I accept Mr A has lost a lot of money due to the deception of IQH, I must consider whether Barclays is responsible for the loss he has suffered. I know this won't be the outcome Mr A is hoping for, but for similar reasons as our Investigator, I don't think they are. So, I don't think Barclays has acted unfairly by not refunding the payments. I'll explain why.

Before I do, I want to reassure Mr A that I've considered everything W has submitted in support of his complaint. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Barclays are responsible for any loss Mr A suffered because of the scam.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. It isn't disputed that Mr A knowingly made the payments from his account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Barclays are expected to process Mr A's payments, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Barclays to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr A to Barclays (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

When considering this, I've kept in mind that banks process high volumes of transactions each day. And that there is a balance for Barclays to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as it wouldn't be practical for banks to carry out additional checks before processing every payment.

As Mr A was sending funds to his R account, and not directly to a known crypto provider, Barclays wouldn't have known from the payment destination alone that the payments were being made as part of a crypto investment opportunity. And while Barclays should be mindful of the risk of multi-stage fraud, they would've been somewhat reassured that the funds were being sent to an account in Mr A's own name.

I've also considered the value and the frequency of the payments Mr A made, and whether this should've put Barclays on notice that Mr A could be at risk of financial harm from fraud.

When considering this, I've looked at Mr A's typical account usage. And prior to the disputed payments, it was relatively common for Mr A to make payments of several thousand pounds on his account. He also made high value payments at times – such as £200,000 and £40,302 in August and September 2023 respectively. Because of this, I don't think the payments Mr A is disputing here were unusual or out of character for how he normally used his account. And while there were occasions when more than one payment was made on a single day (such as three payments totalling £5,000 on 23 January 2024), I don't think the payment activity indicated a clear pattern of fraud.

That said, given it was higher than the previous transactions Mr A had made to his R account, the £8,000 payment on 16 February 2024 arguably could've been seen by Barclays as presenting a greater risk of financial harm from fraud to Mr A. And so, Barclays could've carried out further checks before processing this payment to establish this. At this point, I've considered what type of intervention would've been proportionate in this situation. And at that time, I think it would've been reasonable for Barclays to have asked a series of questions to establish the type of scam Mr A could be falling victim to and provide a warning tailored to it. I'm not persuaded that a human intervention was warranted based on the account activity here.

I've considered what would've likely happened if Barclays had carried out an intervention of the type I've described. When doing so, I've taken into account Mr A's interactions with R when they questioned him about payments he made from his R account. And I think it's relevant to note that:

- Mr A consistently confirmed that he wasn't being assisted through R's questionnaire, and he hadn't been asked to install software (such as AnyDesk).
- When questioned about one of the payments whereby he said he was making it as part of an investment, Mr A said he came across the opportunity from a 'friend or family member', he'd invested in crypto before, it was an existing account he was sending funds to, and he'd researched the company.
- R provided Mr A with various educational warnings – including saying it could be a crypto scam, to beware of social media promotions and to not give anyone remote access. Despite these warnings being relevant to his situation, Mr A proceeded to make the payment.
- Mr A selected inaccurate payment purposes for two subsequent transactions that R carried out additional checks on before processing. This included Mr A saying he was transferring funds to his other savings account and that he was making the payment to buy or rent goods or services.

Considering this, I'm not persuaded that Mr A would've engaged with questioning from Barclays openly or honestly. Nor do I think any scam warnings provided to Mr A that were relevant to Mr A's situation would've resonated to the degree whereby he wouldn't have gone ahead with the payments.

Ultimately, I think it's more likely than not that Mr A wouldn't have disclosed the true circumstances to Barclays surrounding the £8,000 payment. As a result, Barclays wouldn't have been able to uncover the scam. Instead, I think Barclays would've likely been reassured by the responses Mr A would've provided (as R were). Because of this, Barclays wouldn't have had reason to suspect Mr A was making the £8,000 payment (or any of the subsequent payments) for anything other than legitimate purposes.

It follows that I don't think Barclays could reasonably have prevented Mr A's loss.

On a final note, I've considered whether, on being alerted to the scam, Barclays could reasonably have done anything more to recover Mr A's loss, but I don't think they could. The funds had already been removed from Mr A's R account and so, there weren't any to recover. But even if there were, they would've been in Mr A's control to access.

I appreciate Mr A will be disappointed by this outcome. But it would only be fair for me to direct Barclays to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Barclays have acted fairly and

so I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 January 2026.

Daniel O'Dell
Ombudsman