

The complaint

Mr S complains that Barclays Bank UK plc has unfairly refused to refund him money he says he lost in an investment scam.

Mr S is being represented by a professional representative, but for ease of reading I've referred to Mr S throughout.

What happened

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

Mr S says he was actively looking to invest and had heard about a particular investment through an old work acquaintance. After conducting some research online, he decided to invest, which he did by sending payments from his Barclays account to a cryptocurrency account and then from there on to the investment company. He says he was promised investment returns of between 5-11% per month and while he initially received some returns, these quickly stopped and he was contacted by the investment company, which explained some of the difficulties it was currently facing in the market. The returns did not resume and while he still receives correspondence from the investment company, he is unable to withdraw his investment.

Mr S made the following payments at part of this investment:

Date	Amount	Payment type	Destination
08/02/2022	£2,000	Faster payment	Own cryptocurrency account
09/02/2022	£7,000	Faster payment	Own cryptocurrency account
05/05/2022	£2,000	Faster payment	Own cryptocurrency account

Mr S says the payments were highly out of character and ought to have alerted Barclays to the possibility of fraud. He considers Barclays ought to have flagged payment two as being suspicious and it should have asked him some probing questions about that payment. These probing questions would have revealed that he was sending money to an unregulated investment company and was being promised unrealistic returns, in his view. If Barclays had then warned him about cryptocurrency investment scams, he says it's likely he would have stopped investing and wouldn't have suffered the losses he went on to suffer.

Barclays says it isn't persuaded Mr S has fallen victim to a scam. It says it asked him for information to enable it to investigate his concerns, but so far Mr S hasn't provided it. It says the investment company is still active and while it considers this was a high-risk investment, there's little evidence it was a scam. It says it did provide a scam warning for the initial payment.

One of our investigators considered Mr S's complaint, but they didn't think it should be upheld. They weren't persuaded the evidence was enough to show that Mr S had been the victim of a scam or that he had lost money to a scam. In any event, they said that while they would have expected Barclays to have intervened and provided a written warning about

cryptocurrency scams in relation to payment two, they didn't think it would have made a difference because the particular scam Mr S fell victim to didn't share many of the features that were likely to have been covered by such a warning. For example, he hadn't discovered the investment opportunity through social media, it wasn't endorsed by a celebrity, there were no adverse warnings about the investment company at the time and he had already carried-out research into the investment. The Investigator also said recovery wouldn't have been possible because Barclays would only have been able to submit a recovery claim to Mr S's own cryptocurrency account.

Mr S didn't accept the Investigator's assessment. He said his testimony was clear and consistent. His cryptocurrency statements showed that he had sent this money onwards and out of his control. There was no reason to doubt his account of what happened or that he had lost money to scammers. He provided an email addressed to him from the scam company, which stated that he had an account with it and the current balance was over €15,000. He reiterated that the payments were highly out of character and ought to have led Barclays to intervene. He considered such intervention would have uncovered the scam, in his view. It should have identified and warned about unrealistic returns, which would have resonated with him because he'd been told to expect returns of 5-11% per month. Other suspicious features included unregulated investment advice and being asked to set up a cryptocurrency account, for example. If warnings had covered these features, it's likely the scam would have been uncovered.

The Investigator was persuaded that the new evidence indicated Mr S had been the victim of a scam, but they remained of the view that further intervention by Barclays was unlikely to have prevented Mr S's losses. Mr S didn't agree with the Investigator's assessment and 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.

Having considered all the evidence, while I'm sorry to disappoint Mr S, I'm not upholding his complaint. I'll explain why.

It's certainly the case that a number of warnings have been issued by various financial regulators around the world regarding the company Mr S invested with. These indicate that the investment company offered suspicious investment products and operated in several countries without authorisation from the regulatory authorities. I've seen various reviews and reports from customers who experienced similar difficulties to Mr S, so it's certainly a possibility that he has been the victim of a scam, although the evidence is not clear-cut. Unusually, the investment company has taken legal action against an organisation that referred to it as a scam, and I understand regulatory investigations are ongoing.

To show that he actually invested with the investment company, Mr S has sent a copy of an email dated 1 August 2022, from the investment company and personally addressed to him, which indicates the account had a balance of €15,202.58 and a profit of €1,398.64 had been added to his account. He's also provided an email from 11 October 2022, addressed to all customers, which says the investment company had encountered trading problems and was reducing returns to the minimum contractual amount of 5% per quarter. So, it does appear that Mr S had an account with an investment company that's associated with a scam.

There's little, beyond Mr S's recollections of the events from 2022, to show how much was invested, whether it was invested with the investment company, what other interactions he had with it, what was agreed and what the terms were.

I've been provided with a copy of Mr S's cryptocurrency account transaction history from 1 January 2022 to 31 December 2022. This does show deposits into the cryptocurrency account that match the transactions from Barclays, listed above. They show these deposits were converted into cryptocurrency and promptly withdrawn, which ties-in with Mr S's account of how his money was sent on to the investment company.

The cryptocurrency statements also show a balance of 0.01785696 BTC remained in the account on 31 December 2022. It shows that £323.40 had been withdrawn and Mr S says he was able to withdraw £700 from the investment to his cryptocurrency account, but it is unclear when this happened and how much, exactly, was withdrawn, as insufficient, clear supporting evidence has been provided, despite requests from the Investigator.

Mr S says the investment company stopped paying monthly profits during 2023 and stopped allowing withdrawals at that time, so I would have expected him to provide copies of his cryptocurrency statements, in response to the Investigator's request, particularly those for 2023, as evidence of the withdrawals from his investment into his cryptocurrency account. Given the lack of supporting evidence, it's very difficult to determine what Mr S's loss is and that he has, in fact, suffered a loss as a result of a scam. On that basis, I'm not upholding his complaint.

In any event, I broadly agree with the investigator that it isn't clear that further intervention by Barclays would have caused Mr S not to invest.

Barclays did intervene in the first transaction. It says it sent the following risk warning:

"Could this be a scam?"

If someone tells you that you need to "keep your money safe" by moving it to another account, this is definitely a scam. Don't proceed.

No legitimate company would or organisation will ever ask you to move money out of your account. Scammers can also copy telephone numbers to appear legitimate, so always phone back on a trusted number you've found on an official website."

I don't think the first transaction was sufficient to have warranted intervention from Barclays, so by sending a general risk warning, it went further than I might have expected it to at that time.

I do consider the transaction for £7,000 the following day represented an increased risk, largely due to its size, but there was also a lot of unusual account activity going on around this time. For example, while there were occasional, large transactions from Mr S's account in the months before this scam took place, in the days immediately before the scam there was a marked increase in the number of high-value transactions taking place. Money was being moved to and from Mr S's other accounts multiple times per day, for example on 7 February 2022. £23,000 appears to have been credited to Mr S's account and £19,000 paid out that same day. Against that background, a large transaction to a recently established payee ought to have led to intervention, in my view.

A tailored written warning about cryptocurrency scams, of the sort described by the Investigator, would have been the furthest I'd have expected Barclays to have gone in February 2022, given the circumstances in which the payment was made. And while it's not for me to dictate what should have been contained in such a warning, I'd have expected it to have contained warnings that would have been relevant to cryptocurrency scams. Such a warning might have included advice such as to be wary of being contacted about investment opportunities discovered through social media, or endorsed by a celebrity, the need to carry

out research before investing, warnings about unregulated investments or unrealistic investment returns, amongst other things.

But in the particular circumstances of Mr S's case, I agree that such a warning might not have been effective. The main features Mr S mentions are that the returns were unrealistic and the investment company wasn't regulated. There is little evidence about the returns Mr S was promised. The email mentioned above refers to minimum contractual returns of 5% per quarter. While those are high returns, I'm not persuaded they are so high that they would have appeared obviously unrealistic to an inexperienced investor.

Many of the common features of investment scams weren't present in this case. Mr S says he had already carried out research and he says he was able to make a withdrawal before he invested more heavily, although I have insufficient evidence to determine whether that's actually the case. It appears there were no adverse warnings about the investment company at the time. Nor had Mr S received unsolicited contact about the investment through social media and it wasn't being endorsed by a celebrity. Rather it seems Mr S sought out this investment, based on a recommendation from an acquaintance and based on his own research.

So, while it's possible a warning might have been given that mentioned the particular features of such scams that were relevant to Mr S and that they would have resonated with Mr S and led him not to invest further amounts, overall I'm not persuaded I can safely conclude that's more likely than not.

My final decision

I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 March 2026.

Greg Barham
Ombudsman