

The complaint

Mrs P has complained about Barclays Bank UK PLC not refunding several payments she says she made and lost to a scam.

Mrs P has referred the complaint with a professional representative, however for ease I will refer to Mrs P throughout.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mrs P complains that Barclays won't refund money she says she lost to an investment scam that she was involved in between March 2021 and February 2022. Mrs P was introduced to the scam through an acquaintance who recommended it as a legitimate cryptocurrency investment opportunity. She believed it to be legitimate as the scammers used a professional-looking website, positive testimonials and high-pressure tactics to persuade her to invest. The scammers also maintained regular communication and allowed an initial small withdrawal which gave Mrs P a false sense of security. She sent funds either via her husband to the scammers, or a cryptocurrency exchange account in her own name and then onto the scammers. However, she subsequently realised it was a scam and raised the issue with Barclays as she believed Barclays failed to adequately protect her.

However, Barclays did not compensate Mrs P and so she referred the complaint to us. Our Investigator didn't uphold the complaint as, although he thought Barclays ought to have been aware of potential financial harm to Mrs P and intervened, he wasn't persuaded that it would have made any difference. He said the level of intervention he would have expected in 2021 was a general scam warning. However, he did not think this would have resonated with Mrs P. Mrs P disagreed and requested a decision.

As our Investigator couldn't resolve the matter informally the case has been passed to me for a final 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mrs P has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mrs P is automatically entitled to recompense by Barclays. It would only be fair for me

to tell Barclays to reimburse Mrs P for her loss (or a proportion of it) if: I thought Barclays reasonably ought to have prevented all (or some of) the payments Mrs P made, or Barclays hindered the recovery of the payments Mrs P made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Barclays treated Mrs P fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mrs P's complaint. I know this will come as a disappointment to Mrs P and so I will explain below why I've reached the decision I have.

I have kept in mind that Mrs P made the payments herself and the starting position is that Barclays should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Mrs P did not intend for her money to ultimately go to fraudsters – but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I've thought about whether the transactions should have highlighted to Barclays that Mrs P might be at a heightened risk of financial harm due to fraud or a scam.

Considering the payments Mrs P made to her husband's account, I do not think these would have seemed suspicious or caused Barclays any concern. It's not unusual, even with larger amounts for couples to make such transactions. There would also have been no way for Barclays to have been aware that these payments were connected with the cryptocurrency exchange payments she was making. So, I wouldn't have expected Barclays to have intervened in this instance.

The remaining payments were to cryptocurrency providers, but that doesn't mean they should automatically be treated as suspicious either, particularly when there are no other concerning factors about the payments. It's also important to note all of Mrs P's payments were sent in 2021. Whilst cryptocurrency scams were on the rise at that time, Mrs P didn't have as much awareness around cryptocurrency payments as now. Although Mrs P was falling victim to a known scam, payments to a legitimate cryptocurrency would not have flagged that she was making the payments to a scam.

As the payments continued, I do think that the first large payment to the cryptocurrency exchange ought to have been of concern to Barclays. This payment to the exchange was of a significantly higher value and out of character compared with her usual account usage. Therefore, I would have expected Barclays to have been concerned and given a general scam warning.

However, I am not persuaded that such a general warning would have resonated with Mrs P. I say this because Mrs P had been referred to this investment by an acquaintance, had preciously conducted research prior it seems to making any initial payments (which due to the time of this would not have shown sufficient adverse information that this investment was a scam) and clearly believed it to be genuine. Therefore, it does not seem likely such a warning would have prevented her proceeding. Similarly, even if another general scam warning was given on her subsequent payment to the exchange, I do not think this would have made any difference either.

I've noted Mrs P has referenced decisions that she believes are close to her circumstances. However, we consider each case on its own individual merits and although she believes the circumstances of other decisions seem to be similar, there are key differences.

I've considered the Contingent Reimbursement Model (CRM) Code, but it doesn't cover payments to one's own account. Nor does it cover payments made to an international account. Similarly, the payments she made to her own husband, before being made to the scammer likely via an exchange, would not be covered under the Code either.

I've also thought about whether Barclays could've done more to recover the funds after Mrs P reported the fraud. However, considering the time between making the payments and informing it of the fraud it's unlikely any recovery would have been possible.

I have a great deal of sympathy for Mrs P and the loss she's suffered. But it would only be fair for me to direct Barclays to refund her loss if I thought it was responsible – and I'm not persuaded this was the case.

My final decision

My final decision is I do not uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 12 March 2026.

Lawrence Keath
Ombudsman