

## **The complaint**

Mr S complains that Barclays Bank UK PLC won't refund money he lost to a scam.

Mr S is represented by a firm I'll refer to as 'R'.

## **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 S fell victim to an investment scam in 2025. He's explained that he joined a WhatsApp group having seen it advertised on social media. After monitoring it for a couple weeks, Mr S decided to invest and was told to download a trading platform (which I'll refer to as 'S'). Mr S was then directed to purchase crypto from legitimate providers and forward it to S.

Mr S realised he'd been scammed when he was told he would have to pay a 20% fee to withdraw his funds – which he believed were worth about £170,000 at that time. As part of the scam, Mr S made about 15 payments to crypto providers between 4 February and 21 March 2025 totalling about £75,000 – although there were several returns totalling about £28,000.

R complained to Barclays, on Mr S's behalf in July 2025 – saying Barclays failed to protect Mr S from the scam. R wanted Barclays to refund Mr S and pay 8% simple interest. Barclays rejected the complaint

The complaint was brought to the Financial Ombudsman. Our Investigator didn't however think Barclays were responsible for Mr S's loss. She said Barclays carried out additional checks proportionate to the risk associated with the payments, but Mr S didn't answer their questions accurately and provided inaccurate information. And Mr S ignored scam warnings that were relevant to his situation. Our Investigator also didn't think Barclays could've done anything to recover Mr S's funds.

R disagreed and so the matter 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 Mr S has been the victim of a scam. I realise it is a significant amount of money he has lost and so, I don't underestimate the impact this had. I must however consider if Barclays are responsible for it. I know this will come as a disappointment to Mr S but, for similar reasons as our Investigator, I don't think they are. I'll explain why.

Before I do, I'd like to say at the outset that if there is a submission I've not addressed; it isn't because I've 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 Mr S's loss.

The payments aren't covered by the Payment Systems Regulator's mandatory reimbursement scheme. I've therefore considered whether Barclays should reimburse Mr S under any of their other obligations.

It isn't disputed that Mr S authorised the payments from his Barclays account. Generally, consumers are liable for payments they authorise and Barclays are also expected to process authorised payment instructions without undue delay. However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, including the Consumer Duty, 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.

At which point, I should explain that for me to find it fair and reasonable that Barclays should refund Mr S requires more than a finding that Barclays ought to have intervened. I would need to find not only that Barclays failed to intervene where they ought reasonably to have done so - but crucially I'd need to find that but for this failure the subsequent loss would've been avoided. That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that such a proportionate intervention by Barclays wouldn't have revealed the payments were part of a fraud or scam, then I couldn't fairly hold Barclays liable for not having prevented them from being made.

I wouldn't have expected Barclays to have carried out additional checks before processing the first five payments given their low value and as they were spread out over about a week. The sixth payment however was considerably greater in value (£12,500) which was a departure from Mr S's typical account spend. And as it was being made to a well-known crypto provider, which carries a known fraud risk, I think there was sufficient reason for Barclays to suspect Mr S might be at risk of financial harm.

I am however aware that Barclays carried out additional checks at various points of the scam. This includes providing written warnings when Mr S made the first payment to each crypto provider and speaking with him on several occasions – including before the second (£540), sixth (£12,500) and twelfth (£8,000) payments. I've therefore considered whether Barclays's interventions were proportionate to the risks associated with the payments. Having done so, I think they were. This is because:

- On two of the three occasions, Mr S selected the purpose of the payments as being for 'investment or crypto' purposes – which prompted Barclays to provide a written warning, "*could this be a scam?*", and it said:

*"Scammers post adverts online and on social media, and produce fake documents and websites to look like genuine companies*

*Use FCA ScamSmart tool before you invest, look out for their warning signs. If the company is genuine, search the FCA website to check it hasn't been impersonated by scammers."*

- Mr S was also warned:

*“Scams can happen to anyone and they can cause real distress. If someone is telling you which option to choose, stop – this is a scam. Don’t be pressured into making a quick decision.”*

I think these warnings ought to have put Mr S on notice that his situation was similar to the scenario Barclays specially warned against – in particular, that scammers advertise on social media. It also told Mr S how he could protect himself by using the FCA’s ScamSmart tool, which I think was reasonable in the circumstances.

I won’t set out all the conversations in detail here (as I understand our Investigator has already done so). Instead, I’ll focus on what I consider most relevant. And as part of these conversations:

- Barclays explained that it was important Mr S responded to their questions truthfully, and that he took the time to think about what they discussed in relation to who and why he was making the payment(s).
- Barclays asked Mr S if anyone had asked him to lie to them or had coerced him into making any payments – highlighting that it could be a scam if so. Mr S denied this and confirmed he was doing it on his own with his own money.
- Mr S confirmed the payments were going to crypto wallets in his own name and control - which he’d set up on his own and only he had access to. He explained he was purchasing crypto for investment purposes – naming several coins he was interested in – and that he was keeping it in his own wallet (so not moving it elsewhere). He also confirmed he could access and withdraw his funds from the crypto wallet(s).
- He didn’t have a trading account with anybody else, nor had anyone directed him to open an account – it was his decision. Nor had anyone approached in him any way about crypto.
- Barclays warned that one the main crypto scams involved customers with no prior crypto experience being asked to open a crypto account. And that they’re then being advised by financial advisers that were actually scammers who coerce their victims into making payments by telling them they will receive potentially double what they put in – which is too good to be true.
- Mr S acknowledged this and confirmed he’d done research and knew about all these things. Mr S explained his research had been carried out over several months - and it included speaking with a lawyer, receiving advice from people in the industry but also his wife who he explained was in investment banking.
- Barclays warned that they’re seeing a lot of scams where fraudsters are contacting customers through social media – saying they can train and teach people how to invest. And that WhatsApp groups were being used for scams – warning that most of the time these are linked to pyramid schemes.
- Mr S denied receiving advice from someone online or social media. Nor was he part of any WhatsApp group.

I think Barclays took reasonable steps to understand the surrounding circumstances of the payments Mr S was making. I also consider they highlighted some of the common features

of crypto investment scams – some of which were specifically relevant to his situation. And although Mr S was open about the payments being made for crypto investment purposes, he didn't respond to Barclays's questioning honestly. Instead, he provided inaccurate information and ignored the warnings provided to him. From the 'scam chat', it seems that Mr S received instructions from the scammer as to how to respond if questioned – which Mr S acknowledged and confirmed that he understood what to say if it happened.

I appreciate Mr S was being manipulated by the scammer, but I can't fairly hold Barclays responsible for that. Barclays were reliant on Mr S engaging with their fraud prevention checks openly and positively - which Barclays also warned Mr S the importance of, as well as if he was being told to lie then he could be being scammed. Consequently, Mr S's inaccurate answers prevented Barclays from uncovering the scam and preventing his loss – as Barclays were, understandably, reassured by Mr S's responses that he was making them for legitimate purposes.

I've noted R's points in respect of the standard of Barclays's questioning – as they consider they didn't hold Mr S or his responses up to sufficient scrutiny, and they've also raised concerns about the questioning techniques used. While I accept Barclays could have gone further by probing and challenging Mr S more on the specific circumstances of the payments he was making, I'm not persuaded – on balance – this would've made a difference. While I appreciate the coaching from the scammer appears relatively minimal, having considered Mr S's interactions with Barclays, I consider that he was very reluctant to share the true circumstances of the payments he was making. This includes Mr S providing inaccurate information to Barclays even where the scammer – from what I've seen – didn't explicitly instruct him to. And some of his responses would've been particularly reassuring to Barclays – such as his confirmation that he was purchasing crypto that would remain in his own wallet, that he controlled and only had access to. But also, and in particular, that Mr S had sought advice not only from a lawyer but also his own wife who he said was an investment banker. Barclays would've found it reassuring that Mr S had sought advice from a trusted individual who would be familiar with the risks of investing in crypto – and that he wasn't moving the crypto onwards from his own wallet.

I must also bear in mind that Mr S disregarded warnings Barclays provided to him that were clear, specific and relevant to his situation – such as it likely being a scam if he was being told to lie to Barclays, if he'd come across the opportunity through social media, if there was a WhatsApp group involved or if he'd been told his investment could be doubled (as it would be too good to be true). This, in my opinion, demonstrates that Mr S was heavily under the scammer's spell – and to the degree whereby he was willing to provide misleading information to Barclays and ignore warnings that ought to have resonated with him.

It follows that, while I think Barclays could have arguably done more before processing some of these payments, I don't think Barclays could reasonably have uncovered the scam through a proportionate intervention.

I sympathise with Mr S's situation as I understand he is the innocent victim of a scam. But sadly, due to Mr S not disclosing the true purpose of the payments he was making and providing inaccurate responses to their questioning, Barclays weren't able to uncover the scam. It follows that I don't think Barclays is responsible for Mr S's loss.

I've considered whether, on being alerted to the scam, Barclays could've done anything more to recover Mr S's losses, but I don't think they could. This is because Barclays could've

only sought to recover the funds from the crypto providers, but it had already been forwarded on to S. And even if funds had remained, they would've been in Mr S's own control.

I know Mr S 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 S to accept or reject my decision before 10 April 2026.

Daniel O'Dell  
**Ombudsman**