

THE COMPLAINT

Mr I and Mrs M complain that Barclays Bank UK PLC ('Barclays') will not reimburse them money they say they lost when they fell victim to a scam. While the account is/was jointly held, the payment transactions in question were made solely by Mr I.

Mr I and Mrs M are represented by Refundee in this matter.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mr I says scammer(s) deceived him into making payments to what he thought was a legitimate cryptocurrency related investment with Hambrecht & Co.

I do not intend on setting out a detailed list of all the payments in question. I say this given the volume and the fact that neither party in this matter has disputed the list of transactions the investigator at first instance set out in their assessment. Instead, I will provide a summary. The transactions concerned appear to be:

- Approximately 25 in total amounting to circa £118,000
- Made between July and December 2024
- Payment transfers
- Made to a Xapo account in Mr I's name
- Ranging from approximately £500 to £10,000

The above was disputed with Barclays. When Barclays refused to reimburse Mr I, he raised a complaint, which he also referred to our Service.

One of our investigators considered the complaint and did not uphold it. As Mr I (and Mrs M) did not accept the investigator's findings, this matter has been passed to me to make a decision.

WHAT I HAVE 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 done so, I find that the investigator at first instance was right to reach the conclusion she did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a

submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Key findings

- I agree with the investigator that the payments made between 18 July and 29 July 2024 should not have triggered Barclays's fraud detection systems. This is because the value of those transactions and the pattern of spending on Mr I and Mrs M's account meant the payments were not out of step with their usual activity.
- I understand why the investigator considered that the first £5,000 payment made on 2 August 2024 should not have triggered Barclays's systems. That said, I accept that, as Refundee contend, it could reasonably be argued that the transaction ought to have triggered given its value, even when assessed against the spending activity on the account. However, I do not agree with Refundee that this payment should have triggered a human intervention. I am not satisfied that, given the limited aggravating factors surrounding the payment, the human intervention threshold had been crossed. Instead, I would have expected Barclays to have provided a tailored written warning, which took the form of a 'better automated warning', which asked a series of questions in order to try and establish the actual scam risk.
- Even if it could be argued that the first £5,000 payment made on 2 August 2024 should not have triggered Barclays's systems, I am satisfied, as the investigator was, that the second £5,000 payment made shortly afterwards on the same day should have triggered. By the time of this second payment, a total of £10,000 had been paid from the account.
- However, I am not satisfied that, even if Barclays had carried out any of the interventions described above, they would have made any difference in the circumstances. On the balance of probabilities, I consider that Mr I would likely have frustrated Barclays's attempts to protect him from financial harm, thereby alleviating any concerns Barclays had. I have reached this conclusion by taking into account the points set out below when assessing how Mr I would likely have responded to the interventions in question.
- A Barclays agent spoke to Mr I on 27 August 2024 about his attempted £9,000 payment to Xapo. I find that this intervention was proportionate in the circumstances. Contrary to Refundee's arguments, I do not accept that the agent took a "scripted approach". Rather, I find that the agent asked Mr I sufficiently probing questions in response to the plausible explanations he had provided.
- In the course of that call, Mr I stated, amongst other things, that he had previously paid money into his Xapo account and that he used the account for currency exchange and for sending money to Egypt towards the costs of a flat there. He also confirmed that he had not been coached by anyone on what to say and denied any third party involvement. Given Mr I's responses, the agent provided a safe account warning. Mr I had misled the agent, as he did not reveal the true purpose of his

payments. He did not mention anything about investments, Hambrecht & Co, or any third party involvement. Below is an example of what Mr I told the Barclays agent:

“Yes please, you can, yes please, I am happy actually for you to release the payment, because [inaudible] I am a family man, and I’ve got kids with me, and I know actually that the payment I am paying now, is gonna go actually for them basically because I’m preparing home for them and a house, there in Egypt for living, good living ... that’s my main reason actually honestly.”

- Refundee argue that there was a language barrier. I do not accept this. I find that Mr I understood what the agent was asking him and responded accordingly.
- Refundee have set out several reasons why Mr I felt the scam was “real and believable”. These include online research, the professionalism of the website, the returns Mr I saw and the regular contact he had with the scammer.

Taking all the above points together, they suggest that had Barclays carried out the interventions (as described above) to try to protect Mr I from financial harm, it is likely he would have frustrated those interventions – thereby alleviating any concerns Barclays had. The above points clearly show that Mr I was under the spell of the scammer at the time and was prepared to mislead Barclays to get his payments over the line.

A striking feature in this case is the fact that Refundee argue that Mr I was not ‘coached’ by the scammer at the time of the 27 August 2024 telephone call. This would suggest then that Mr I misled Barclays – with a detailed cover story – of his own volition. This supports my proposition that the interventions described above would have likely been unsuccessful.

Other points

- I have considered what would likely have happened had Barclays intervened in any of the transactions not mentioned above. Having done so, I am not persuaded the outcome would have been any different from what I have already set out regarding the intervention that was carried out. Further, from reviewing the WhatsApp messages exchanged between Mr I and the scammer, it appears that Xapo provided Mr I with a scam warning after the events described above, but this did not resonate with him as the scammer was guiding him. This supports the proposition that Mr I would likely have ignored earlier and later interventions.
- I am not persuaded this is a case where Barclays, contrary to Mr I’s instructions, should have refused to put Mr I’s payments through.
- Turning to recovery of Mr I and Mrs M’s finds. The payments in question were made from Mr I and Mrs M’s Barclays account to an another account in Mr I’s name. Thereafter, those funds were either moved directly to the fraudsters, or, if not – Mr I should be able to withdraw them from his own account. Further or alternatively, as the payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover. Further or alternatively, the likelihood that even if prompt action had been taken by Barclays on or immediately after the fraud was reported, any of Mr I and Mrs M’s money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between the payments and when the scam was reported. In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

- Refundee contends that Mr I and Mrs M were vulnerable at the time due to several reasons. Having considered them, I am not persuaded that Barclays knew or ought to have known about these reasons at the time. Therefore, I do not find that Barclays should have dealt with the payments any differently in this regard.

Conclusion

Taking all the above points together, I do not find that Barclays has done anything wrong. Therefore, I will not be directing Barclays to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For the reasons set out above, 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 I and Mrs M to accept or reject my decision before 27 February 2026.

Tony Massiah
Ombudsman