

The complaint

Mr Y complains that Barclays Bank UK PLC (Barclays) is refusing to refund him the amount he lost as the result of a scam.

Mr Y is being represented by a third party. To keep things simple, I will refer to Mr Y throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr Y has explained that he found out about a company I will "X" that specialised in cryptocurrency investment and promised high returns from his colleagues. Mr Y said he carried out some online research and found promising returns, nothing that caused him to have any concerns.

Mr Y was then added to an investment group led by a "guru" and was then contacted by an advisor that asked him to download remote access software giving X access to his device.

Mr Y was then encouraged to open accounts with genuine cryptocurrency exchanges where he would purchase cryptocurrency before forwarding it to a wallet address provided by X.

Mr Y started making payments in relation to the investment in December 2020, When Mr Y tried to make withdrawals in 2022, he was made aware of issues with X's platform that required further payments to be made by Mr Y. This resulted in Mr Y continuing to make payments up until December 2024.

Mr Y has disputed a total of over 90 payments made to genuine cryptocurrency exchanges over a four-year period. All the payments were for relatively small values. While I have considered all the payments Mr Y has disputed, I have not listed them all here.

Our Investigator considered Mr Y's complaint and didn't think it should be upheld. Mr Y disagreed, so this complaint 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.

It has not been disputed that Mr Y has fallen victim to a cruel scam. The evidence provided by both Mr Y and Barclays sets out what happened. What is in dispute is whether Barclays should refund the money Mr Y lost due to the scam.

Recovering the payments Mr Y made

Mr Y made payments into the scam via his Debit Card. When payments are made by card the only recovery option Barclays has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid and potentially succeed. Time limits also apply.

The payments Mr Y made in relation to the scam didn't go to the scammer directly. Instead, Mr Y made the payments to legitimate cryptocurrency exchanges in exchange for cryptocurrency that was provided to him. As it took further steps for those funds to end up in the hands of the scammers any attempt at recovery would have no prospects of success.

Should Barclays have reasonably prevented the payments Mr Y made?

It has been accepted that Mr Y authorised the payments that were made from his account with Barclays, albeit on X's instruction. So, the starting point here is that Mr Y is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Barclays should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mr Y made in relation to the scam were made to legitimate cryptocurrency exchanges over a four-year period. At the time Mr Y started to make the payments cryptocurrency scams were also not as prevalent or as well-known so I would not have expected Barclays to have perceived an increased risk in the type of payment.

Given the relatively low value of the payments and that little was known about this type of scam for the first years it was taking place I don't think it was unreasonable that Barclays didn't intervene even when multiple payments were made, on occasion, in a single day.

As I don't think it was unreasonable that Barclays didn't intervene when the payments were being made, I am unable to say that Barclays missed an opportunity to uncover the scam, or that it is responsible for Mr Y's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 10 April 2026.

Terry Woodham
Ombudsman