

The complaint

Mr Z complains Barclays Bank UK PLC (“Barclays”) hasn’t refunded funds he said he lost as the result of a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the key details here.

Between February 2021 and May 2022 Mr Z said he made payments from his Barclays account to what he thought was a legitimate investment with a firm I’ll call C. He made the payments to a cryptocurrency exchange and told us he moved them on to a trading platform with C. Mr Z explained he couldn’t withdraw his funds and so believes he has been scammed.

He complained to Barclays and his complaint wasn’t upheld. Unhappy with Barclays’ response, Mr Z raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and also didn’t uphold it

As an agreement could not be reached, the 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.

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’m sorry that Mr Z has lost a significant sum of money, and I don’t underestimate the impact this has had on him. However, where a customer has been scammed, it doesn’t mean they are automatically entitled to recompense. It would only be fair for me to tell Barclays to reimburse Mr Z for his loss (or a portion of it) if I thought Barclays ought reasonably to have prevented all, or some, of the payments he made, or if I believed Barclays hindered the recovery of the payments he made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

Mr Z authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Barclays should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've also thought about the Contingent Reimbursement Model which Barclays is a voluntary signatory of. The code doesn't cover payments to purchase cryptocurrency, nor does it cover payments made to an account in the customer's name and so the code isn't relevant here.

I've thought about whether Barclays acted fairly and reasonably in its dealings with Mr Z when he made the payments, or whether it should have done more than it did. In doing so I've considered what Barclays knew about the payments at the time it received Mr Z's payment instructions and what action, if any, Barclays took prior to processing the payments.

Firstly, I would like to note it's important to be able to link the disputed payments Mr Z made to C. He's provided a screenshot to show he held an account with C and said he was provided with wallet addresses to send the cryptocurrency to, but I don't have enough to link the disputed payments to the platform. Mr Z also began making payments to the cryptocurrency exchange before the scam period which makes it more difficult to establish a link between the payments he has disputed and C.

I understand Mr Z was part of a group chat but there's very little evidence of this and given the length of the scam period I would have expected more evidence, the messages I've seen are either undated or from August 2021. These also aren't of conversations but of investment 'offers' and can't be linked to Mr Z. There are emails between Mr Z and C but this doesn't provide the full picture of the scam either.

That said, I don't think I need to make a finding on whether Mr Z has been the victim of a scam or not as it doesn't make a difference to the outcome. I broadly agree with our investigator that Barclays should have intervened, but I'm not persuaded that an intervention would have made a difference to the outcome. I'll explain why.

I should explain that for me to find it fair and reasonable that Barclays should refund Mr Z 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 have 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.

Initially the payments are of low value and where payments were made on the same day I don't find that their combined values were excessive. I think things changed on 6 April 2021 when the value of the payments being made significantly increased to £5,850. At the time the payment was made I would have expected Barclays to provide a written warning that broadly covered scam risks. I wouldn't have expected such a warning to resonate with Mr Z which I'll come on to below.

On the same day Mr Z made another payment for £6,000, taking the total amount to the same payee on the same day to £11,850. I think a proportionate response to the risk the payment presented would have been for Barclays to have intervened directly with Mr Z.

I would have expected Barclays to ask some questions around the purpose of the payment. I believe Mr Z would have been able to satisfy Barclays with his answers. I can't be sure if Mr Z would have told Barclays the firm he was investing with, as it wouldn't have known it was C unless Mr Z told it given the funds weren't paid to C directly. And even if he had I wouldn't have expected Barclays to research the firm but rather ask Mr Z if he'd carried out his due diligence, and his testimony is clear that he had researched C prior to investing. I therefore don't think he would have necessarily carried out any further research and if he had I don't think there would have been any new information in April 2021 that wasn't available prior to him investing.

I appreciate there was a warning on the Financial Conduct Authority's (FCA) website prior to the payments being made, this noted the firm wasn't registered in the UK and to be wary of dealing with unauthorised firms. It was updated in 2024. Mr Z's testimony is that his research included an online search, so it seems Mr Z either saw the FCA warning and didn't find it concerning or didn't carry out an online search as from what I've seen the warning ought to have been included in the returns from a search of C. In any event, the warning says the firm wasn't regulated by the FCA, but from what I've seen it didn't claim to be. The literature states the corporate offices were in Panama so I don't think it's likely that Mr Z had any expectation that C was registered with the FCA. Also, we know Mr Z was recommended by a friend who was pleased with their investment which I think will have been reassuring to Mr Z and would have also reassured Barclays. And he's told us he'd seen the testimony of other investors who were positively impacted by the investment. He'd also received paperwork regarding the investment which would have added to the legitimacy of the opportunity, and he had made a withdrawal. It seems the issues came sometime after Mr Z made the payments and in late 2023 and into 2024 before Mr Z believed he had been scammed.

After the above, I wouldn't have expected an intervention from Barclays until a £10,000 payment on 12 October 2021, due to the value of the payment. Again, I would have expected Barclays to have intervened directly and for the same reasons I've already outlined I wouldn't have expected it to uncover the scam. Additionally, by this time the evidence shows Mr Z had received several withdrawals from the cryptocurrency exchange into his Barclays account, which will have made the investment appear legitimate. I don't believe there were other payments that Barclays ought to have been concerned about.

I can't know what would have happened if Barclays had intervened either in writing or directly with Mr Z so I have to make my decision on balance of what I think would more likely than not have happened if it had. Having done so, and for the reasons outlined above, I don't think either would have uncovered the scam or prevented Mr Z from making the payments. I therefore don't think it's fair or reasonable to hold it liable for the losses Mr Z has claimed.

Given the time between the payments being made and the scam being reported to Barclays I don't think there was any prospect of recovery of Mr Z's funds.

I'm sorry to disappoint Mr Z further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Barclays needs to refund Mr Z's money or pay any compensation. I realise this means Mr Z is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 17 March 2026.

Charlotte Mulvihill
Ombudsman