

## The complaint

Mr and Mrs L are being represented by solicitors. They're complaining about Barclays Bank UK PLC because it declined to refund money they lost as a result of fraud.

## What happened

Sadly, Mrs L fell victim to a cruel investment scam after making contact with a company she found advertising online. After speaking to the scammers, she was set up with an account on a fake trading platform that appeared to show trades being placed and profits generated on her behalf. She has said she was able to make an early withdrawal from the scheme and that this money was then re-invested.

Mrs L used her Barclays account (held in joint names with her husband) to make the following transfers:

No.	Date	Amount £
1	9 Jun 2023	300
2	21 Feb 2024	4,000
3	4 Apr 2024	1,000
4	4 Apr 2024	1,000
5	4 Apr 2024	1,000
6	4 Apr 2024	2,000
7	4 Apr 2024	2,000
8	6 Apr 2024	10,000
9	7 Apr 2024	10,000
10	8 Apr 2024	5,000
11	8 Apr 2024	5,000
12	10 Apr 2024	3,000

Payment 1 went to a cryptocurrency exchange, after which the currency purchased was transferred to the scammers. The rest went to accounts in Mrs L's own name with two other UK banks, after which she used those accounts to purchase cryptocurrency that was transferred to the scammers.

Mrs L says she realised this was a scam when she wasn't able to withdraw her money.

Mrs L also made payments that were lost to the scam from accounts with two other banks. I've considered her complaints about the actions of those banks in separate decisions.

Our investigator didn't recommend the complaint be upheld. He noted that Mrs L did speak to one of Barclays' agents in April 2024 but didn't feel the answers she gave were sufficient for it to uncover the scam.

Mrs L didn't accept the investigator's assessment. To summarise, her representative made the following key points across the three complaints:

- The pattern of payments required a human intervention from the banks. This should have seen them asking open and probing questions about the payments, supported by warnings that were specifically tailored to Mrs L's circumstances.
- The bank that did speak to Mrs L about the payments she was making focused on the cryptocurrency exchange rather than the underlying fake investment platform. She should have been asked to identify the platform by name and then asked questions about it.
- In context, Mrs L's answers to the questions she was asked about the payments were truthful and she didn't try to mislead anybody.
- The warnings that were provided were scripted and not sufficiently tailored to Mrs L's circumstances or otherwise effective. She'd have taken notice of an appropriate and effective intervention at an early stage and her losses would have been prevented.
- It's also unsafe to infer that appropriate warnings later in the sequence of events wouldn't have uncovered the scam.
- The fact that her husband had done most of the research into the investment scheme isn't relevant. Mrs L would have made the decision not to go ahead if the banks had taken appropriate steps to uncover the scam.
- In other cases, we've concluded the bank should share liability with the consumer where an appropriate intervention is either late or absent.

The complaint has now been referred to me for review.

### **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.

Having done so, I've reached the same overall conclusions as the investigator. Mrs L's representative has made extensive submissions in support of her complaint. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Mrs L authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Barclays also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Barclays acted fairly and reasonably in its dealings with Mrs L.

### *The payments*

I must take into account that many similar payment instructions Barclays receives will be entirely legitimate. I also need to consider its responsibility to make payments promptly.

Having considered what Barclays knew about payments 1 at the time, I'm not persuaded it ought to have been particularly concerned. While the money was going to cryptocurrency, which the bank should have known meant it carried a higher risk of being associated with fraud, the amount was low and it was an isolated payment. I also don't think Barclays should have been particularly concerned about payments 2 to 7 as these weren't for very large amounts and they were going to Mrs L's own accounts with other UK banks. In the circumstances, I don't think there were sufficient grounds for Barclays to think Mrs L was at risk of harm from fraud when she made these payments and I can't reasonably say it was at fault for processing them in line with her instructions.

Payment 8, however, was for a much larger amount and this was sixth transfer in the space of only a few days with a cumulative value of £17,000. I think this is the point at which a pattern of multiple, rapid and increasing payments consistent with many known scams had begun to emerge and is the point at which Barclays should have taken steps to intervene in the payment process. Having thought carefully about the risks payment 7 presented, I think a proportionate response would have been a human intervention whereby Mrs L was required to speak to one of the bank's agents, most likely on the phone, to discuss the circumstances surrounding the payment and provide relevant tailored warnings.

It appears Barclays did recognise this risk and it's provided a recording of a call with Mrs L on 5 April 2024 when her original attempt to make a larger transfer was paused.

During this call, the bank's agent asked Mrs L about the purpose of the payment and she said she was moving money to savings accounts with other banks and quoted the higher interest rate one of them was paying. Based on her answer, the agent then checked how long Mrs L had held her other accounts, whether anyone had help her set them up, whether anyone else had access to them and whether anyone was forcing her to make the transfer. He then gave a brief warning about safe account scams.

Unfortunately, the agent's warnings didn't resonate with Mrs L and that's not surprising as it didn't relate to the actual scam that was taking place, although it was related to the answers she'd given. If Mrs L had told the agent she was intending to purchase cryptocurrency for investment purposes, I would have expected the call to have gone in a different direction with different follow-up questions and ultimately a warning about investment scams. But in my view, the explanation Mrs L gave would reasonably have appeared plausible to the agent and I wouldn't necessarily expected him to have challenged it. So while the warnings he gave weren't relevant here, I don't think I can reasonably hold the bank responsible for that.

Mrs L's comments during the call also gave the impression she'd be making further transfers to her other two accounts in the coming days, which she did, and based on what was discussed on 5 April I don't think further intervention was required. But even if the bank had

insisted on speaking to her again, I've no reason to think she'd have said any more about what the payments were ultimately for such that it should have been able to uncover and stop the scam.

On balance, I'm satisfied Barclays' overall response was broadly proportionate to the apparent risks associated with the payments being made by Mrs L.

I want to be clear that it's not my intention to suggest Mrs L is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Barclays and, having done so, I'm not persuaded these were the cause of her losses.

### *Recovery of funds*

Mrs L isn't due any refund under the industry's reimbursement scheme for authorised push payment (APP) fraud as the transfers went to other accounts in her own name. Barclays could only try to recover money from these accounts and by the time Mrs L told the bank about the scam, some months after the last payment, it appears her money had already been moved on. If not, anything that was left would still have been available to her to access.

In the circumstances, I don't think anything that Barclays could have done differently would likely have led to Mrs L's money being recovered successfully after this period of time.

### *In conclusion*

I recognise Mrs L has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Barclays acted fairly and reasonably in its dealings with her and I won't be telling it to make any refund.

### **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 L and Mrs L to accept or reject my decision before 14 April 2026.

James Biles  
**Ombudsman**