DRN-6282005

The complaint

Mr S complains that Barclays Bank UK Plc unfairly refuses to refund him money he lost in an investment scam.

Mr S is being represented professionally, but for ease of reading I'll just refer to Mr S.

What happened

The circumstances surrounding this complaint are well known to both parties, so I haven't set them out in detail here. Instead, I've summarised what I consider to be the main points.

Around December 2024, Mr S received an unsolicited message on a popular messaging application, encouraging him to make an investment. He says he investigated further and received some details about the investment. Mr S was added to an investment chat group and told to register an account with the investment platform, which he says appeared sophisticated and realistic. All contact with the investment company was professional and articulate and he says this helped persuade him he was dealing with a legitimate business.

Mr S was asked to create an account with a cryptocurrency platform, which he would then be able to use to fund his investment account.

He made a small deposit in March 2025 and saw the value of his investment increase and he was encouraged to add more money, which he did.

When Mr S tried to withdraw some of his investment, on 21 May 2025, he was asked to pay more money into the account first. He says he challenged this and was then unable to access his account further. It was at this point he realised he had been the victim of a scam.

Payment	Date	Amount	Payment type	Destination
1	12/03/2025	£100.05	Debit card payment	Own cryptocurrency account
2	14/03/2025	£15.94	Debit card payment	Own cryptocurrency account
3	19/03/2025	£2,385.26	Debit card payment	Own cryptocurrency account
4	30/03/2025	£2,390.80	Debit card payment	Own cryptocurrency account
5	01/04/2025	£2,397.47	Debit card payment	Own cryptocurrency account
6	02/04/2025	£2,398.97	Debit card payment	Own cryptocurrency account
7	02/04/2025	£2,398.97	Debit card payment	Own cryptocurrency account
8	23/05/2025	£1,052.36	Debit card payment	Own cryptocurrency account

Mr S says the payments were clearly unusual and high risk. They did not match his usual spending patterns and they consisted of large payments to a new payee, which was an account with a cryptocurrency platform. While Barclays queried some of the payments, he does not think it did enough to try and uncover the scam. He says it asked only generic questions and didn't probe further. He says if more detailed questions had been asked and had his answers been probed further, the scam would have been detected.

Barclays says the payments are not covered by the APP scam reimbursement (ASR) rules because all the payments were made to another account belonging to Mr S that was under his control. It says it asked Mr S for additional information so that it could consider his complaint further but this was not provided. In particular, it asked for copies of statements from his cryptocurrency wallet showing deposits and withdrawals. It says it did not raise chargeback claims because the payments had been made to another of Mr S's accounts, so chargeback claims were unlikely to have been successful.

The complaint was considered by our Investigator, but she did not recommend Mr S's complaint should be upheld. She said Barclays ought to have intervened in payment seven, as she considered a pattern of suspicious transactions had emerged by that point. This was one of several payments to cryptocurrency, that were generally increasing in value. It was the second payment to the same cryptocurrency account on the same day, bringing the total that day to a combined amount of over £4,700. She thought a proportionate intervention would have been for Barclays to have sent Mr S a better automated warning, which tried to narrow down the particular scam risk by asking Mr S questions and then providing tailored warnings based on Mr S's answers to those questions. She was not persuaded this would have prevented the scam though. She noted that another of Mr S's banks had intervened in a similar way in some related transactions around the same time but this hadn't uncovered the scam. She thought the answers Mr S had given were not accurate and this meant the tailored warnings provided by his other bank had not been as relevant as they might have been, as they had been tailored based on Mr S's inaccurate answers. She thought Mr S knowingly gave inaccurate answers and would have given similar answers if Barclays had asked similar questions and so she doubted the scam would have been uncovered.

Mr S did not accept the Investigator's conclusions and asked for an ombudsman's decision. He says Barclays should have intervened earlier, given the sudden increase in payment values to this payee, which went from around £100 to five consecutive payments of over £2,300 within a matter of days. He considers frequent, large payments to a cryptocurrency platform are indicative of fraudulent activity and Barclays ought to have recognised this. He believes Barclays should have intervened when he tried to make payment three. He does not agree he knowingly gave inaccurate information to his other bank and he does not agree intervention from Barclays is unlikely to have been effective. The answers he gave the other bank were accurate, for example he was asked why he was making a payment and he answered that he was transferring money to another of his accounts, which was true. He considers the intervention by his other bank was quite limited and consisted of automated pop-up warnings. But he feels Barclays should have called him directly and asked questions in person, which would have been more effective.

Mr S then told us the transactions made from his other bank related to a different scam, involving work tasks, which he was falling victim to at roughly the same time. The warnings he received from his bank prompted him not to make further payments to that scam, preventing any substantial loss. If Barclays had provided warnings to him, he feels it is likely they would have led him to stop making further payments and it is speculative to suggest he would have answered questions from Barclays inaccurately.

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'm not upholding Mr S's complaint. While I understand this will come as a disappointment to Mr S and I am conscious of the impact this cruel and distressing scam has had on him, I'm not persuaded that I can fairly conclude that Barclays is responsible for his losses. I say this because I don't consider intervention is likely to have uncovered the scam. I'll explain why.

In broad terms, the starting position is that Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the accounts terms and conditions and with the Payment Services Regulations (PSRs). It isn't in dispute that Mr S authorised these payments. Barclays had an obligation to process the payments, but that isn't the end of the story.

I've taken into account the regulator's rules and guidance; relevant codes of practice, along with what I consider to have been good industry practice at the time. Having done so, I consider Barclays should have fairly and reasonably been on the lookout for the possibility of Authorised Push Payments scams (amongst other things) at the time, and intervened if there were clear indications its customer might be at risk.

Barclays does have a difficult balance to strike in how it configures its systems to detect unusual activity that might indicate its customers are a higher risk of fraud. It would not be reasonable or possible for Barclays to intervene in every transaction it processes. I would expect intervention to be proportionate to the circumstances of the transaction.

Barclays did not intervene in this series of payments and, overall, I consider it ought to have done. I agree with the Investigator that it ought to have intervened in payment seven. I'm not persuaded earlier intervention was necessary. Payments one and two were very small and I do not consider they warranted any intervention. A larger payment was made five days later. But while I accept that was a higher value payment, I do not consider it was so high, in its own right, or so unusual for Mr S's account, given he had made occasional larger payments before, that it ought to have prompted Barclays to intervene. There was a gap of eleven days before the next payment, which was of a similar size – again, not so large that I consider it ought to have prompted intervention by Barclays. Activity then started to increase in frequency and by the time payment seven was attempted, I consider there was enough of a pattern of suspicious activity that Barclays ought to have intervened.

Given the risk factors present here, I consider a proportionate intervention would have been a better automated warning. I say this because while there were some concerning features, the payments and frequency of transactions were not so great or frequent that I consider human intervention by phone would have appeared necessary at that time.

If Barclays had intervened with a better automated warning, on balance I'm not persuaded the evidence suggests such intervention is likely to have been successful.

I accept Mr S didn't intend to be scammed and there is no evidence Mr S had been coached about how to answer questions from Barclays or that he was asked to lie to it. In general, I consider it's more likely than not that a customer would answer questions from its bank honestly and openly, where a bank intervenes to ask its customers questions about transactions, as such questions are intended to protect customers from falling victim to scams.

Much has been made, in this complaint, about how Mr S responded to an automated warning from another bank, in March 2025, about what he says was a different scam that was taking place at broadly the same time. I've considered the evidence on this point.

When Mr S's other bank asked him questions about what Mr S has told us was a separate, work tasks scam in March 2025, his other bank asked him why he was making a payment. The options available included *"It's related to a job opportunity"* but Mr S selected *"I'm transferring money to my other account."* While Mr S says this answer was accurate, I don't think he can have thought that was the most accurate answer to the bank's question about why he was making that payment. He's told us he was making the payment in connection with a job opportunity, to release his earnings. So that does lead me to think Mr S either was not answering his other bank's automated questions carefully, or not answering them accurately.

That doesn't necessarily mean he would have answered questions from Barclays inaccurately, if it had asked him questions about the separate payments he was making in relation to this investment scam. But given the close proximity to the investment scam Mr S was going through, it's possible he might have answered any questions from Barclays in a similar way. For example, if he had answered that he was transferring money to another account, rather than as part of an investment, he wouldn't necessarily have received warnings that were tailored to the particular scam he was facing.

In my view, this does cast some doubt on the likelihood of warnings being effective. These interventions from a bank are designed to narrow down the scam risk and provide tailored warnings based on the risk identified. Where inaccurate information is given, it means the warnings provided are less likely to be relevant and therefore less likely to be effective.

Mr S was also heavily invested by 2 April 2025, and I consider that would have made it less likely he would have been responsive to warnings from Barclays. By 21 May 2025, Mr S had tried to withdraw some of his investment but he was told withdrawals were not possible until significant additional funds had been deposited. He says the explanations he was given didn't make sense to him. For example, he was told the wallet he was trying to withdraw money to was suspected of being fraudulent and so he would need to deposit 20% of the current value of his investment to unfreeze his account. He was warned that the investment company might permanently freeze his account. Mr S questioned what the risk to the investment company was and whether there was another way to show his wallet was legitimate. He said he did not really understand the rationale and indicated that he did not see how transferring money into his investment account from the same wallet he had already paid money in from, would provide the company with any confidence or security that his wallet was legitimate.

Mr S says in his submissions to us that when he challenged the withdrawal fees his account was blocked and that was the point he realised he had been scammed. But he made another payment after that, on 23 May 2025, paying money to chase his existing investment. I can understand why he did this, but it does suggest he was heavily invested and was prepared to risk further money to release his investment despite having concerns about the nature of the investment. That gives me further reason to question whether he would have responded to warnings from Barclays if it had intervened in the payment before – payment seven – and whether such a warning would have actually prevented his further losses.

Overall, while I consider the case is finely balanced, for the reasons given above I'm not persuaded that intervention would have been successful here and so I do not uphold Mr S's complaint.

My final decision

I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 18 May 2026.

Greg Barham
Ombudsman