

## **The complaint**

Mr M complains that Barclays Bank UK PLC won't refund him the money he lost after he fell victim to an investment scam.

## **What happened**

The background to this complaint is well known to both parties so I won't repeat it in detail here. But in summary I understand it to be as follows.

In or around December 2022, Mr M was added, out of the blue, to a group on a well-known instant messaging platform regarding investment opportunities. Mr M has said he observed what was happening in the group and could see members post details of trades and profits they were making. He's said initially he wasn't convinced by what he saw and was cautious. But has said he was tempted after checking the company's website and seeing that there were lots of people on the chat room, posting daily trades and wins. Mr M added that he was given a one-to-one session and saw how an investment of a couple of hundred pounds, quickly converted into £1,000 to £2,000.

Believing everything to be genuine, between 30 December 2022 and 8 January 2023, Mr M made five payments from his Barclays account, using his debit card, totalling £14,864.48, to crypto currency exchange companies. But unknown to him at the time, Mr M was dealing with fraudsters and had sent his payments to accounts the fraudsters controlled. Mr M has said he realised he'd been scammed when, after asking to make a withdrawal, he was asked to make further payments towards taxes.

Mr M raised the matter with Barclays, it looked into Mr M's complaint and issued its final response on 2 February 2023, upholding it in part. In summary, Barclays said it didn't think it had effectively warned Mr M about the risks of making the transactions, but it also thought Mr M could have carried out more of his own due diligence before making the payments. Overall, Barclays thought liability should be shared, so it refunded Mr M half of the money he lost (being £7,432.24), along with interest and £200 compensation, which was credited to his account on 2 February 2023.

Unhappy that Barclays hadn't refunded him in full, Mr M referred his complaint to this service. One of our Investigator's looked into things, but didn't think Barclays should refund the remaining loss. In summary, it was our Investigators view that there were enough red flags that ought to have made Mr M think carefully before going ahead with his payments. Our Investigator also said that he didn't consider Barclays had made an error in not raising a chargeback claim.

Mr M remained unhappy, he accepted he ought to have done more to verify the firm at the beginning and that there were red flags. But he thought Barclays should have prevented the payments going ahead and he thought a full refund of the amount he lost would be a fair resolution.

As agreement couldn't be reached the complaint has been passed to me for a final decision.

## **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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Barclays has already accepted a share of liability. It agrees it could have done more to warn Mr M about the risks of the payments he was making and so has offered and returned Mr M 50% of the money he lost. With this in mind the question that I need to decide is whether Mr M should fairly be expected to share some responsibility for what happened.

I'm sorry to hear of what's happened to Mr M, and I can understand entirely why he feels so strongly that the remainder of the money he lost should be returned to him. But having thought very carefully about Barclay's actions, I think its offer to return Mr M half of the money he lost, along with interest, is fair and reasonable in the circumstances. I'll explain why.

I understand that Mr M has said he looked at the firm's website and that the platform he saw looked sophisticated. But I'm afraid I think Mr M ought to have had more concerns along the way about what he saw and was being told. The fraudsters contacted Mr M out of the blue and he was added to a messaging application group chat, seemingly without asking to be added. I have to question why Mr M wasn't concerned about how the fraudster had obtained his contact details and why he was added to a group without asking to be.

Mr M has said he could see others making profits and was shown how a small investment of a couple of hundred pounds could quickly yield a seemingly tenfold profit. I think that Mr M should have had concerns about these returns. I think they ought reasonably to have appeared to him as concerningly unrealistic, not least given the speed at which the scammers claimed these profits could be made, this level of return seems improbable to the point of being too good to be true.

Mr M wasn't provided with, nor from what I've seen did he ask for, any documentation regarding the investments he was making. I think it would have been prudent to have something more formalised to give him comfort that the investments he was entering into were legitimate. Especially given I think it's questionable that a legitimate investment firm would instruct genuine trades through an instant messaging platform.

In and of themselves it's arguable that any one of the above factors, in isolation, may not have been enough to deter Mr M. But when taken collectively, I'm persuaded there was enough going on that ought to have given Mr M cause for concern that things were not as they seem. Indeed in his submissions to this service Mr M has acknowledged he ought to have done more to verify the firm he thought he was investing through.

I don't say any of this to diminish or downplay the fact that Mr M has been the victim of a cruel and cynical scam. I sympathise with him for that, but I'm not persuaded that it would be unreasonable to have expected Mr M to have taken more steps than he did to validate things before proceeding.

I've considered whether the chargeback process was an option for Mr M. A chargeback is a voluntary scheme run by card scheme providers. It arbitrates on disputes between a customer and a merchant where they haven't been able to resolve matters themselves. The

arbitration process is subject to the rules of the scheme and there are only limited grounds on which a chargeback can be raised. Chargebacks raised outside of these grounds are deemed invalid.

From the evidence I've seen the records show the payments went to a genuine cryptocurrency exchange firm. The service provided by the firm would be to convert the money into cryptocurrency. The merchants Mr M paid provided the service asked for, therefore there are no chargeback rights under the scheme - albeit I accept Mr M wouldn't have been aware that he was sadly falling victim to a scam at the time he made the payments. Overall, I don't think Barclays acted unfairly by choosing not to raise chargeback claims on Mr M's behalf.

Finally, I can see that Barclays has already offered Mr M compensation of £200. When bearing in mind what Mr M has told us, but taking into account that the main perpetrators of what happened are the fraudsters, I'm satisfied this amount is fair for the distress and inconvenience he likely suffered in this instance.

I am sorry to disappoint Mr M, he was the victim of a cruel scam and he has my sympathy that he has lost money in this way. However, I can't fairly say that Barclays should be responsible for refunding him the remainder of his loss.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 January 2024.

Stephen Wise  
**Ombudsman**