

## The complaint

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

Mr S is being represented by a third party. To keep things simple, I will refer to Mr S 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 S came across what he thought to be a well-known YouTuber and investor's Instagram page. It later turned out to be a fake page setup as part of a scam. I will call the scammer "X".

Mr S contacted X and started to discuss investments via google hangouts. On X's direction Mr S created an account with the cryptocurrency exchange Coinbase and signed up to a website sent to him by X ([ultraboostertrade.com](http://ultraboostertrade.com))

Mr S has told us that the process seemed very professional and legitimate, and he started to make payments into investments from this and another of his accounts held at another bank. Trades were placed automatically, and Mr S could see he was making a significant return.

The balance on Mr S's trading account showed around £250,000.00 and he decided to make a withdrawal. However, after making the request he was asked to make a further payment. He discussed the request with X, who he had come to trust, and X confirmed this was standard practice. So, Mr S made the payment.

Mr S's funds were still not sent to him following the payment being made and further payments were requested again. Mr S discussed the situation with his partner who advised him not to make any further payments.

Mr S made the following payments into the scam via the cryptocurrency exchange Coinbase:

| Date         | Payee    | Payment Method | Amount |
|--------------|----------|----------------|--------|
| 31 May 2022  | Coinbase | Transfer       | £1,000 |
| 31 May 2022  | Coinbase | Transfer       | £2,000 |
| 31 May 2022  | Coinbase | Transfer       | £2,000 |
| 7 June 2022  | Coinbase | Transfer       | £1,000 |
| 8 June 2022  | Coinbase | Transfer       | £1,700 |
| 8 June 2022  | Coinbase | Transfer       | £2,500 |
| 10 June 2022 | Coinbase | Transfer       | £5,500 |

Our Investigator considered Mr S's complaint but didn't think it should be upheld. Mr S 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 S has fallen victim to a cruel scam. The evidence provided by both Mr S and Barclays sets out what happened. What is in dispute is whether Barclays should refund the money Mr S lost due to the scam.

### *Recovering the payments Mr S made*

Mr S made payments into the scam via the method of transfer. When funds are sent in this way Barclays has limited options available to it to recover the payment. In this situation Mr S made the payments to an account held in his name at Coinbase and then moved these funds to X. So, if Barclays had requested the funds be returned from X this would not have been possible as they had already been moved on.

I have considered if Mr S should have received a refund under the Contingent Reimbursement Model (CRM) code. But the CRM code only applies when domestic payments (as the result of a scam) are sent to another person. Here Mr S sent the payments to an account held in his own name and the scam occurred when he moved his purchased crypto from that account to the scammer. I'm satisfied the CRM Code wouldn't apply in this scenario.

With the above in mind, I don't think Barclays had any recovery options available to it for the payments Mr S made.

### *Should Barclays have reasonably prevented the payments Mr S made?*

It has been accepted that Mr S authorised the payments that were made from his account with Barclays, albeit on X's instruction. So, the starting point here is that Mr S 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 stepped in and questioned Mr S about the payments he was making. And if it had questioned Mr S, would it have been able to prevent the scam taking place.

I think it could be argued that Barclays should have stepped in by the time Mr S made the third payment on 31 May 2022. By this time Mr S had made three payments on the same date totalling £5,000. But even if I do think Barclays should have stepped in, I think it's unlikely the scam would have been uncovered and prevented.

I say this because although a conversation with Barclays may have prompted Mr S to do further research about the investment there was little information if any available about it available in the public domain at the time of the scam. Mr S has also explained that when he did have concerns and raised them with X, X was able to reassure him of the legitimacy of the investment. It is clear Mr S trusted X and was willing to proceed with further payments once he had been reassured by him.

So, overall, while I think Barclays could have done more, I don't think this would have made a difference and it is not responsible for Mr S'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 S to accept or reject my decision before 6 February 2024.

Terry Woodham  
**Ombudsman**