

## **The complaint**

Mr T complains that Barclays Bank UK PLC ("Barclays") have unfairly refused to refund him all the funds that he lost as part of an investment scam.

## **What happened**

The details of this complaint are well known to both parties, so I will not repeat everything again here. In summary, Mr T was in contact with a scammer through a dating site who convinced Mr T that he could make money by trading online.

Mr T made more than 50 transaction totalling more than £50,000. These transactions were a combination of debit card payments and bank transfers and were made to cryptocurrency exchanges and other peoples personal bank accounts. My understanding is that the debit card payments to cryptocurrency exchanges were used to purchase cryptocurrency and were then transferred to a scam trading platform I will call 'B'.

Subsequently, Mr T attempted to withdraw the funds from his trading account with B, but was unable to. At this point he realised he had been scammed.

When Mr T raised this with Barclays, it eventually refunded 50% of the value of the transactions with 8% simple interest (per annum) and made a £200 payment for the delays in Barclays' investigation. Our investigator looked into this, and she thought that this was fair, she believed that Mr T had contributed to his own loss and had not done due diligence before making these transactions.

Mr T did not agree with this and therefore his complaint has been passed to me to issue 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.

It isn't in dispute that Barclays should have intervened and prevented these payments; both parties agree with this. What is left for me to decide is whether the refund that Barclays has made is fair given the overall circumstances of this complaint.

### ***Bank transfers***

The payments that were bank transfers fall under the contingency reimbursement model ("CRM"). The starting point under the CRM is that a consumer should receive a refund of the money lost in a scam if certain conditions are met. That said though, there are exceptions to this. One of which is when a consumer made payments without a reasonable basis for believing that: the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.

In this instance Mr T met the scammer through a dating site and within a relatively short amount of time, without actually meeting the scammer in person, he was transferring large sums of money to a number of different payees.

I can't see that Mr T did any substantial research or carry out any checks to determine that the scammers representations were true. He seems to have placed a lot of trust in a short period with someone he did not really know.

Firstly, he was guaranteed, during the initial transaction, a 30% profit, which seems unrealistic as there are few if any investments with high yields that have *guaranteed* returns and none that I am aware of at a rate of 30%. Whilst I appreciate that Mr T was not an experienced investor, at the same time I think that this 'guaranteed' return should have made him question what he was being told, especially if he had done some basic research about Bitcoin and OKcoin as his representative has said that he did.

Secondly, after the first few transactions he was transferring funds to personal bank accounts with various different names attached to them. Again I think that Mr T should have questioned why, if he was dealing with a legitimate trading platform, he needed to keep entering different bank account details. Mr T's representative has explained that Mr T did this because of individual trades on B. But it still doesn't seem like a normal way of trading and even someone with no or limited experience in trading should have questioned the legitimacy of sending funds directly to other peoples' bank accounts, when he was supposed to be investing with a professional trading platform.

So overall I think that Mr T's failure to apply common sense to the situation and his decision to participate in transactions, without question, that were clearly highly suspicious by their very nature, contributed to Mr T's loss. I note what Mr T's representative has said about Mr T's personal circumstances and that it thinks that this made Mr T a vulnerable consumer, but I'm not persuaded that he couldn't reasonably be expected to have protected himself from the scam because of the reasons provided or that they should've affected his decision-making. I therefore think that a 50% deduction should be made due to the above in relation to the bank transfers.

#### *Debit card payments*

In relation to the debit card payments, there is a similar but slightly different approach. In this instance, there is a general principle that consumers must still take responsibility for their decision. So I need to consider whether Mr T was partly responsible for the losses he suffered.

Having considered everything, I am also of the opinion that a 50% reduction is fair for the debit card payments. I say this for broadly the same reasons as for the transfers. Which in summary, is that Mr T starting sending large amounts of funds and making payments to a fake trading platform on the advice of someone he had not met or known for a long time; he had not done sufficient research to check the legitimacy of the trading platform; he failed to notice that the returns promised were unrealistic; and did not question why he had to make multiple transfers directly to different parties or at the very least did not question the unpersuasive answer given by the scammer.

So, whilst I am sorry to hear that Mr T was duped by a scammer, overall I think that the 50% deduction is fair, given the overall circumstances of this complaint as I think Mr T contributed to his own losses.

**My final decision**

My decision is that I do not uphold this complaint as Barclays Bank UK PLC has already paid suitable compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 September 2023.

Charlie Newton  
**Ombudsman**