

The complaint

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

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- Mr M disputes four authorised card payments totalling £19,389.29 sent from his Barclays account between 2 November 2022 and 15 November 2022 to a legitimate cryptocurrency exchange. He sent the funds from his cryptocurrency exchange to what he believed was a legitimate investment opportunity with a company I'll call 'P'. The payments were requested by him using his legitimate security credentials, and the starting point is that banks ought to follow the instructions given by their customers for legitimate payments to be made as instructed.
- However, I've considered whether Barclays should have done more to identify that Mr M could be falling victim to a scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly unusual and out of character.
- I've reviewed Mr M's Barclays statements in the 12 months leading up to his disputed payments. In my judgement, the disputed payments were not sufficiently unusual or suspicious in appearance when considering Mr M's normal account activity. For example, he made individual payments of: £65,311 on 9 December 2021, £11,487.45 on 14 December 2021, £11,487.44 on 15 December 2021, £4,700 on 20 June 2022, £10,000 on 20 June 2022, £2,178 on 8 August 2022 and £23,496.06 on 23 September 2022. And so, I don't think Barclays would have been particularly concerned about the individual disputed payments which ranged from £2,729 to £8,710 – even though they were to a new payee. I also don't think Barclays would have been concerned by the collective spend as the payments were not sent on the same day and there were at least a few days between most of the transactions. The transactions didn't seem out of character for Mr M and even though he used his overdraft facility to send some of the payments, this was an agreed overdraft facility and he was entitled to use it, as I've noted he's used it before. I don't think Barclays would reasonably have suspected that he could be falling victim to fraud or a scam.
- I note Mr M's argument that the non-disputed higher payments were either to existing beneficiaries or legitimate businesses. But I've also noted the disputed payments

were to a legitimate cryptocurrency exchange. Whilst I appreciate payments for the purpose of cryptocurrency can represent a high-risk investment, banks are not under any obligation to warn against risky but legitimate investments. And even though some cryptocurrency purchases can be made as the result of fraud, not all payments to cryptocurrency exchanges are fraudulent and I don't think the disputed payments ought to have been considered unusual or suspicious – when considering Mr M's normal account activity as Mr M had historically made substantially higher payments. I don't think Barclays would have reasonably been concerned that the disputed payments were being made as the result of fraud or a scam and so I don't think it could have reasonably prevented Mr M's loss.

- Barclays attempted to recover Mr M's losses by initiating chargeback claims for the disputed payments. The claims were defended by the beneficiary bank on the basis that Mr M received the services he paid for (cryptocurrency). In my judgement, Barclays had no basis to challenge the defence but I've noted it said it incorrectly advised Mr M it wouldn't be removing the temporary chargeback credit and it would be challenging the defence. This didn't happen and Mr M's account was re-debited which caused him difficulties. Barclays paid Mr M £200 compensation for the incorrect information, I think this was fair and reasonable as Mr M would have been surprised by the amounts re-debiting his account. However, I've not seen evidence to suggest that Barclays guaranteed it would be successful in any further chargeback attempt, so I don't think Mr M was promised his claims would succeed but I do think Barclays had a responsibility to provide clear and accurate information, which it didn't do. I appreciate that Mr M feels Barclays should have reasonably known the chargebacks would have failed and I can see his point here but I've also noted that Mr M made other payments as a result of this same scam that were not referred to this service as they were successfully recovered with Barclays' chargeback claims. I therefore think Barclays tried to assist Mr M with recovering his payments and had it not done so, he wouldn't have received any money back.

I recognise this will come as a disappointment to Mr M and I'm sorry that he's lost this money. However, I'm not persuaded Barclays can reasonably be held responsible for his loss.

My final decision

My final decision is, despite my natural sympathies for Mr M's loss, 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 April 2024.

Dolores Njemanze
Ombudsman