

The complaint

Mr H complains that Barclays Bank UK PLC ("Barclays") won't refund over £19,000 he lost to an investment scam.

What happened

The details of this complaint are well known to both parties, so I won't repeat everything again here. In brief summary Mr H fell victim to an investment scam in February 2020 after receiving an email from a scam investment broker ("Z"). He researched the broker and found positive reviews, so he got in contact with Z and was encouraged to invest, leading him to make the following debit card payments from his Barclays account:

Date	Payee	Amount
26 February 2020	Jubiter	£7,200
2 March 2020	Jubiter	£5,350
4 March 2020	Coinpop	£7,214.27

Mr H realised he'd been scammed when he was unable to withdraw the profits he thought he'd made on his investment. He reported the scam to Barclays but it said it wouldn't refund the money he lost as he'd authorised the payments. Unhappy with this, Mr H referred the matter to our service.

Our investigator didn't uphold the complaint. He thought Barclays ought to have made further enquiries in light of the size of the payments Mr H was making, but he didn't think any questioning or scam warning Barclays could've given would've prevented the scam, as Mr H had already carried out his own research which led him to believe that Z was a legitimate broker. Mr H disagreed, so the matter has been escalated to me to determine.

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 and have divided not to uphold it for the following reasons:

- It isn't in dispute that Mr H authorised the disputed payments he made to the cryptocurrency exchange platforms using his Barclays debit card (where his funds were subsequently transferred on to the scammers from those platforms). The payments were requested by him using his legitimate security credentials provided by Barclays, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

- However, I've considered whether Barclays should have done more to prevent Mr H from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- I appreciate that Mr H's account had only been opened a few months by the time he made the first scam payment, so there wasn't much payment history for Barclays to compare it to. However, I'm satisfied the £7,200 payment made on 26 February 2020 ought to have appeared unusual to Barclays in light of the limited transaction history that was available, such that it ought to have prompted further enquiries.
- However, even if Barclays *had* intervened in this or any other of the disputed payments Mr H made as part of the scam. I'm not persuaded it would have likely stopped him from proceeding or have ultimately prevented his loss.
- Prior to investing, Mr H said he carried out his own research and due diligence into Z by consulting several reputable review websites such as Trust Pilot and Google. He said the reviews were "extremely positive" across all platforms and that there was no negative information regarding the investment broker that he could find. Mr H had also been able to access his profits on several occasions, so he was confident it was a genuine investment. I also cannot find any adverse information about Z online at the time Mr H made his payments either. So, if Barclays had warned him and told him to conduct further research to ensure he wasn't being scammed, I don't think this would've had any impact in light of the due diligence Mr H had already carried out, which assured him of Z's legitimacy.
- Therefore, taking all these circumstances into account. I don't consider Barclays' failure to intervene can reasonably be considered as the proximate cause of Mr H's loss in these circumstances, as it seems likely he would've proceeded with the payments irrespective of any warning given by the bank.

I appreciate this will likely come as a disappointment to Mr H, and I'm sorry to hear he has been the victim of a cruel scam. However, in the circumstances, I do not consider it would be fair and reasonable to hold Barclays liable for his loss.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 February 2024.

Jack Ferris
Ombudsman