

## The complaint

Ms G complains that Barclays Bank UK PLC won't refund the money she lost as part of a scam.

## What happened

The background to this complaint is well known to both parties, so I'll only refer to some key events here.

In 2022 Ms G saw an advert on a social media, in which a well-known financially orientated celebrity appeared to recommend an investment platform that I will call B.

After getting in contact with B, it convinced Ms G that she should invest in the trading platform and explained how she could make money from trading using this platform. She therefore sent money to Crypto exchanges, bought Crypto and then sent it on to B. After a period of time Ms G tried to recover her funds from B but was unable to do so. At this point she seems to have been approached by another scammer, who persuaded her to make a further payment via transfer (again to a Crypto exchange) but instead of the funds being recovered, Ms G realised she had fallen for a different scam.

Ms G made the following transactions

Transaction Number	Date	Amount	Merchant	Method of Payment
1	09/09/2022	£5,000	Crypto.com	Card Payment
2	15/09/2022	£420 Credit	Foris Dax	Card Payment
3	20/09/2022	£5,000	Cro Malta	Card Payment
4	19/10/2022	£2,986.71	Cro Malta	Card Payment
5	20/10/2022	£2,003.16	Crypto	Card Payment
6	21/10/2022	£10,300	Foris Dax	Transfer
7	21/10/2022	£3,697.34	Crypto.com	Card Payment
8	21/10/2022	£9,330.61	Crypto.com	Card Payment

Ms G complained to Barclays and requested that the above transactions be refunded. After some back and forth, Barclays agreed that it should have intervened during the first transaction, so in response, it refunded 50% of the transfer with interest at 8% simple, alongside a payment of £100 for the way it investigated this matter.

Since the complaint was with our service, Barclays also offered to refund 50% of the card payments as well, again with 8% annual simple interest (less tax) added.

One of our investigators looked into this matter and they concluded that what Barclays had offered was reasonable.

Ms G's did not agree with this outcome. So this complaint has been passed to me to issue a 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 this instance both parties agreed that Barclays should have intervened during the scam and that had an intervention occurred, the scam would likely have been stopped. What is in dispute is whether what Barclays has already agreed to do to rectify this matter is fair and reasonable.

So with this in mind I need to consider whether the 50% deduction is appropriate and also if Barclays could have recovered the funds via other means.

In relation to the 50% deduction, I've thought about whether Ms G's actions contributed to her losses. Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions.

In this instance, Ms G was introduced to the scammer through a social media platform which is not a normal route to find investment advice and within a relatively short amount of time, without actually meeting the scammer in person, she was sending large amounts of funds to B. She has also confirmed that she had not received any paperwork or detailed information about how the 'investment' works from B prior to investing.

I can't see that Ms G did any substantial research or carried out any checks to determine that the scammers representations were true, especially given the substantial sums involved. I think it reasonable for Ms G to have done some research on the actual company she was dealing with before sending such large sums of money.

An online search on B shows several different reviews saying that B is a scam and these reviews are from before Ms G invested. I note that Ms G has highlighted an article that gave a favourable review of B, but this review is heavily outnumbered by articles and reviews saying that B were scammers. So I think the lack of due diligence from Ms G means that she is partially responsible for her own loss, so I'm satisfied a 50% deduction is fair and reasonable in the circumstances.

In relation to the £100 that Barclays already paid for delays in its investigation, I think that this is reasonable and I don't think that it needs to do anything more.

I have considered whether Barclays could have recovered the payments in question. As some payments were card payments, in some instances the payments could be recovered by instigating a chargeback. However, in this case, a chargeback would not have been successful, as Ms G did receive the crypto she paid for before it was transferred on to B. In relation to the transfer, the Contingent Reimbursement Model does not apply to payments sent to accounts that are held in the consumers own name. So overall, I don't think that Barclays could have recovered the funds via other means.

Finally, Ms G is unhappy that Barclays initially credited her current account with the amount of the debit card payments, whilst it attempted to recover those payments. But when it was unable to recover the payments, Ms G says it re-debited her account without sufficient warning, leading her to become overdrawn. I have carefully considered this but I can see that Barclays did write to Ms G before it did this. And I can see the reason for the account becoming overdrawn was because Ms G transferred the temporary credit out of her account, rather than leaving it in there. Given that the chargeback letters were clear that the refund was temporary, I don't think it was reasonable to do this, or at least I don't think it's reasonable that Barclays should reimburse Ms G the overdraft interest she incurred because she chose to transfer the temporary credit to another account. So I don't think that Barclays are at fault for this aspect of Ms G's complaint.

So I am upholding this complaint in part and I think that what Barclays has already agreed to do is fair and reasonable.

### **Putting things right**

- Refund 50% of the transactions in question less any amount already refunded. (Barclays has said that it has already refunded 50% of the transfer transaction (transaction 6))
- Add 8% simple annual interest on these transactions, calculated from when they happened to the date of settlement, less any applicable tax. If Barclays has already refunded the transfer transaction (transaction 6) with interest, no further interest is due on that transaction.
- Pay £100 for delays in Barclays' investigation, unless already refunded

### **My final decision**

My decision is that I uphold this complaint in part and require Barclays Bank UK PLC to pay redress as outlined above, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 10 January 2024.

Charlie Newton  
**Ombudsman**