

## The complaint

Mr B is unhappy that Barclays Bank UK PLC (“Barclays”) won’t refund money he lost after falling victim to a scam.

## What happened

In summary: In 2021, Mr B was befriended by an individual I’ll refer to as F. Mr B says that contact with F started on a social media website but moved to a messaging app. Prior to F making contact, a genuine friend of Mr B’s had been telling him about cryptocurrency and the money he made from trading in it. After having messaged extensively with F for a short period of time, F started talking to Mr B about cryptocurrency trading. As a result, Mr B made 10 payments from his Barclays account. Mr B thought he was trading in cryptocurrency but had actually fallen victim to a very sophisticated scam.

Date	Transaction Details	Amount
21.2.2021	Credit to account from D	£5,000.00 cr
<b>23.2.2021</b>	<b>Payment to scammer</b>	<b>£2,000.00</b>
<b>23.2.2021</b>	<b>Payment to scammer</b>	<b>£2,000.00</b>
<b>23.2.2021</b>	<b>Payment to scammer</b>	<b>£1,000.00</b>
<b>2.3.2021</b>	<b>Payment to scammer</b>	<b>£2,000.00</b>
<b>2.3.2021</b>	<b>Payment to scammer</b>	<b>£ 628.27</b>
3.3.2021	Credit to account from D	£5,000.00 cr
3.3.2021	Credit to account from D	£2,628.27 cr
<b>3.3.2021</b>	<b>Payment to scammer</b>	<b>£1,000.00</b>
<b>3.3.2021</b>	<b>Payment to scammer</b>	<b>£2,000.00</b>
<b>3.3.2021</b>	<b>Payment to scammer</b>	<b>£2,000.00</b>
4.3.2021	Credit to account from D	£5,000.00 cr
<b>4.3.2021</b>	<b>Payment to scammer</b>	<b>£2,000.00</b>
<b>4.3.2021</b>	<b>Payment to scammer</b>	<b>£3,000.00</b>

A few days after making the last payment Mr B became aware he’d fallen victim to a scam and reported it to Barclays.

Barclays investigated Mr B’s fraud claim but declined to refund him. They told Mr B that no funds could be recovered from the beneficiary accounts. Also, they considered it a civil matter rather than a scam, as Mr B used the funds to buy USD currency or cryptocurrency from genuine sellers – before the resulting cryptocurrency was forwarded to the scammer.

Mr B wasn’t happy with Barclays’ response, so he brought a complaint to our service.

An investigator looked into Mr B’s complaint and partially upheld it. They felt the third payment should’ve been flagged by Barclays as unusual and warranted intervention which would’ve uncovered the scam. On that basis they recommended that Barclays refund Mr B for all payments from the third payment onwards. However, they felt Mr B didn’t complete sufficient checks before making the payments, so reduced the refund by 50%.

Mr B disagreed with the investigator's opinion saying:

- When he attended the Barclays branch, he asked them if the app he was using was legitimate. He says Barclays confirmed it was, which convinced him it was a genuine investment. He feels we haven't put enough weight on the level of trust he placed in Barclays.
- He disagrees that messaging apps aren't used for professional purposes and aren't a legitimate way to find and make investments.
- While he found no information about the app when researching it online, that isn't unusual. He believed it was a Chinese company and therefore information about it could be on the Chinese internet. Also, search engines do not always index new information immediately. By taking the app to Barclays and asking them if he should have any concerns, he felt he'd done appropriate checks about its legitimacy.

As the case couldn't be resolved it was passed to me to review.

### **My provisional decision**

On 2 March 2023, I issued my provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I realise that I haven't included a lot of detail in my explanation about how the scam unfolded, whereas Mr B has provided significant information and detail about the scam in his submission. However, in this case, I'm not satisfied that it is pertinent to the decision I have reached, and I'll explain why.

I appreciate that this may be disappointing and confusing for Mr B, but I'm not satisfied that I can fairly recommend that Barclays refund him – as I'm not satisfied that he has suffered a financial loss as the result of the scam.

I say this because all of the payments that Mr B made as part of the scam, were funded by money transferred into his Barclays account by a party I'll refer to as D.

From what I've seen the first payments made to the scammer were sent from D's account. However, after D's bank blocked her account, D and Mr B wanted to continue sending payments so they transferred the money from D's account to Mr B's account before he forwarded the funds on to the cryptocurrency wallets and ultimately to the scammers. Also, I have notes from Barclays detailing a discussion with Mr B which say "Cx states that he will be investing approx. 20k on behalf of D".

Mr B says he'd had no problems previously making transactions from his account, so they used his account to continue making payments. This means that the funds lost as part of the scam are D's not Mr B's, and that Mr B hasn't suffered a financial loss in relation to his Barclays account.

I appreciate that Mr B made payments to the scam from other accounts in his name, but in this case, I'm only looking at the transactions made from his Barclays bank account. And, on the basis that he hasn't suffered a loss, I couldn't fairly ask Barclays to refund any of the money even if I upheld his complaint - as he's not entitled to it. Any loss needs to be

assessed in relation to D's accounts, which are being handled separately under a complaint in her name.

My provisional decision was that I didn't intend to uphold Mr B's complaint.

### **Responses to my provisional decision**

Barclays responded accepting my decision and saying they had nothing further to add. Mr B provided a very detailed response.

### **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.

I've read Mr B's full response to my provisional decision, however none of the points he's raised are directly in response to my finding that he hasn't suffered a financial loss due to the payments made as part of the scam being funded by D.

Because of this, I see no reason to depart from the decision I reached in my provisional decision and therefore don't uphold this complaint.

### **My final decision**

My final decision is that I don't uphold this case against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 November 2023.

Lisa Lowe  
**Ombudsman**