

## The complaint

Mr Z complains that Barclays Bank UK PLC (Barclays) is refusing to refund him the amount he lost as the result of a scam.

Mr Z is being represented by a third party. To keep things simple, I will refer to Mr Z throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr Z was using Twitter for several years keeping up to date with Twitter forums about crypto currency investment including live chats with many different Twitter members. Twitter was a well know platform that Mr Z trusted at the time.

An individual (X) from one of the forums Mr Z was following messaged him directly. She initially gave Mr Z market trends and tips on trades before explaining that Mr Z could mine Ethereum on Coinbase via the platform ISO Blockycoins.

Mr Z was able to see that other people on the forums he had been following were also talking about the same platform and that it was a good platform to use. Mr Z explained that X's profile looked legitimate, and he was unable to see anything negative about the platform X had recommended.

Mr Z and X continued to discuss their common interest in cryptocurrency before moving their conversation from Twitter to WhatsApp upon X's request. X then continued to mention the ISO Blockycoins opportunity and eventually sent Mr Z a link to the platform.

Mr Z tells us he took care investigating ISO Blockycoins before making any investment and was unable to find anything negative about it. Having carried out some research Mr Z downloaded Coinbase as requested by X and clicked on the link provided. The trading platform looked professional, and Mr Z was able to navigate the platform as he expected.

After making an initial investment X explained Mr Z would have to make further payments to prevent him losing his funds. X was able to persuade Mr Z to make several payments in this way and when Mr Z could see a substantial profit on the trading platform, he decided to make a withdrawal. X explained that Mr Z would have to make payments in relation to tax, Mr Z made these payments but again X asked for further payments related to further tax required by the US government. At this stage Mr Z realised he was being scammed and recovered what funds he could.

Mr Z made the following payments into the scam via Coinbase:

Date	Payee	Payment Method	Amount
8 March 2022	Mr Z - Coinbase	Transfer	£1,000.00
8 March 2022	Mr Z - Coinbase	Transfer	£2,000.00

9 March 2022	Mr Z - Coinbase	Transfer	£6,000.00
15 March 2022	Mr Z - Coinbase	Transfer	£4,500.00
15 March 2022	Mr Z - Coinbase	Transfer	£10,000.00
16 March 2022	Mr Z - Coinbase	Transfer	£500.00
18 March 2022	Mr Z - Coinbase	Transfer	£6,000.00
21 March 2022	Mr Z - Coinbase	Transfer	£10.00
21 March 2022	Mr Z - Coinbase	Transfer	£4,000.00
21 March 2022	Mr Z - Coinbase	Transfer	£9,500.00
21 March 2022	Coinbase	Refund	- £203.93
21 March 2022	Coinbase	Refund	- £233.24
21 March 2022	Coinbase	Refund	- £500.00
21 March 2022	Coinbase	Refund	- £568.39
21 March 2022	Coinbase	Refund	- £699.99

Our Investigator considered Mr Z's complaint but didn't think it should be upheld. Mr Z disagreed so this complaint has been passed to me to decide.

### **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 has not been disputed that Mr Z has fallen victim to a cruel scam. The evidence provided by both Mr Z and Barclays sets out what happened. What is in dispute is whether Barclays should refund the money Mr Z lost due to the scam.

#### *Recovering the payments Mr Z made*

Mr Z made the payments into the scam via the method of transfer via a Coinbase account in his own name. When payments are made by transfer Barclays has limited options available to it for recovery. I can see that when Mr Z realised, he had fallen victim to the scam he withdrew as much as he could from Coinbase so I am satisfied Barclays wouldn't have been able to recover any more from Coinbase had it made a request.

I have also considered if Mr Z should have received a refund under the Contingent Reimbursement Model (CRM) code. But the CRM code only applies when domestic payments (as the result of a scam) are sent to another person. Here Mr Z sent the payments to an account held in his own name and the scam occurred when he moved his funds from that account to the scammer. I'm satisfied the CRM Code wouldn't apply in this scenario.

With the above in mind, I don't think Barclays had any recovery options available to it.

#### *Should Barclays have reasonably prevented the payments Mr Z made?*

It has been accepted that Mr Z authorised the payments that were made from his account with Barclays, albeit on X's instruction. So, the starting point here is that Mr Z is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Barclays should have been aware of the scam and stepped in and questioned Mr Z about the payments he was making. And if it had questioned Mr Z would it have been able to prevent the scam taking place.

Mr Z started making relatively small payments into the scam which I wouldn't have expected to have triggered Barclays' fraud prevention systems. Although the third payment Mr Z made was for £6,000. This payment was not in line with the way Mr Z usually operated his account and I think this payment should have prompted Barclays to step in and question Mr Z about it.

However, if Mr Z was questioned about the payment, I think it's likely he would have told Barclays the same as what he has told us. He had followed groups on twitter for quite some time, was communicating with someone from one of the groups with a shared interest and had researched both the platform and Coinbase before making any payments. There was no adverse information available at the time of the scam in relation to ISO Blockycoins.

With the above in mind, even if Barclays had stepped in, I think it's very unlikely that it would have been able to uncover the scam or prevent it from taking place. So, Barclays is not responsible for Mr Z's loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 16 January 2024.

Terry Woodham  
**Ombudsman**