

## **Complaint**

Mr G is unhappy that Barclays Bank UK PLC didn't reimburse him after he fell victim to what he says was a scam.

## **Background**

The background facts are well known to both parties, so I don't intend to set them out in full here. In summary, Mr G signed a contract with a company to carry out works to his home. He paid a deposit from an account he holds with another bank. There was then a slight variation to the plans, which required that he pay an extra deposit of £1,000. He transferred this sum using his Barclays account. The builder provided Mr G with a written contract and a seemingly detailed plan generated using design software.

Unfortunately, the works never commenced. Mr G was unable to contact the director of the company to find out what was going on. Eventually, he accepted that he'd fallen victim to a scam. He complained to Barclays and asked that it reimburse him. It didn't agree to do so – it said that Mr G wasn't the victim of a scam. Instead, he had a private civil dispute with the builder.

Mr G was unhappy with the response he received from Barclays and so he referred his complaint to this service. It was looked at by an Investigator who upheld it and recommended Barclays reimburse him. Barclays disagreed and remained of the view that this wasn't a scam but was a civil dispute. As a result, the complaint has been passed to me to consider and come to a final decision.

## **Findings**

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

The starting point under the relevant regulations is that Mr G is generally liable for payments he's authorised. He did authorise the payment in question and so he is presumed liable for it. However, that's not the end of the story. Barclays is a signatory to the Lending Standards Board's Contingent Reimbursement Model (CRM) Code. Under that Code, the general presumption is that signatories should reimburse customers where they fall victim to frauds and scams, unless one of the exceptions applies. However, none of the provisions of the Code are relevant if the customer hasn't actually fallen victim to a scam.

I've considered the available evidence carefully and I'm persuaded that this ought to be treated as a scam, rather than purely a civil dispute. Mr G has provided evidence of his interaction with the police which clearly shows that the allegation of fraud has been taken seriously. There was a warrant for the arrest of the director of the company and they've since been interviewed under caution. No decision appears to have been taken in respect of whether the director should be charged with any offence. Nonetheless, this is compelling evidence that what happened to Mr G went beyond a mere civil dispute.

In addition to that, a separate allegation of fraud was made against the same company by a

different customer, albeit the account that was paid was a different one. Finally, there is a third-party website carrying a large number of reviews of this business. These were broadly positive (with the occasional reference to concerns over quality) until 2022. From that point on, the reviews almost universally make allegations of fraud against the company. They also describe a means of operating that was identical with the one Mr G described.

It follows that the CRM Code applies to this transaction and so Barclays ought to reimburse him, unless an exception applies. I'm not persuaded any exception is applicable in this case. I find that Mr G had a reasonable basis for believing he was dealing with a genuine company – it provided him with a professional looking plan and contract, it had a listing on the Companies House website and generally positive feedback on a third-party review website at the time. He didn't have any reasonable basis for questioning that the company was a legitimate one and so I'm persuaded that Barclays should've upheld Mr G's complaint and refunded him under the CRM Code.

### **Final decision**

For the reasons I've set out above, I uphold this complaint. If Mr G accepts my decision, Barclays Bank UK PLC should refund the payment he made to the scammer. It should also add 8% simple interest per annum to that sum calculated to run from the date it declined his claim under the CRM until the date any settlement is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 October 2023.

James Kimmitt  
**Ombudsman**