

The complaint

Mrs S is unhappy that Barclays Bank UK PLC hasn't refunded her after she informed it she'd been the victim of a scam.

What happened

Mrs S needed the services of a roofer and searched online for suitable suppliers. She was contacted by a Mr H who owned and operated a roofing business that was a limited company. This was in February 2022.

Mrs S and Mr H agreed a price and a start date. Mrs H made payments as agreed and work commenced as planned, with Mr H completing the roofing works within a week or so. But it soon became apparent to Mrs S that the work wasn't done to a reasonable standard, so she contacted Mr H.

Mr H promised to return and put right the work, but he never did. He'd also agreed to carry out some other work, including damp proofing. But, despite being paid, he didn't complete that work either.

Mrs S was in contact with Mr H for several months after the initial work had been done. He kept promising to attend the property but didn't show up. And he didn't return any of Mrs S' money after promising to do so. In December 2022 Mr H stopped responding to Mrs S and his business was dissolved.

Mrs H has had other builders and roofers inspect the work carried out by Mr H's business. They've all said the work done was of a very poor quality and that everything would need redoing.

Mrs S contacted Barclays to say she'd been scammed by Mr H. Barclays looked into what had happened but said it wouldn't refund Mrs S. It said Mrs S had a civil dispute with Mr H and his business; it didn't agree she'd been the victim of a scam. Mrs S wasn't happy with Barclays' response and so referred the complaint to us.

One of our investigators considered Mrs S' complaint. He found Barclays had acted fairly and reasonably in giving the response it had. He agreed the matter was a civil dispute, where Mrs S hadn't received what she'd paid for. His findings can be summarised as follows:

- He acknowledged that Mrs S hadn't received what she'd paid for, or that what was received was not of an acceptable standard. But went on to say that this didn't mean Mrs S had been scammed as legitimate businesses might breach a contract in this way, for any number of reasons.
- He said it was more likely than not that Mr H's business was a genuine one that had failed to deliver the goods and services paid for or had delivered but to an unacceptable standard.
- He noted Mr H's business was properly registered on Companies House.
- He found no evidence of similar claims of a scam from other customers.
- There was insufficient evidence to show that Mr H and his company set out to scam Mrs S or that it wasn't a genuine business when she entered into a contract with it.

Mrs S didn't accept our investigator's findings and so the complaint has been passed to me for a final 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.

I'm sorry to disappoint Mrs S further but I'm unable to uphold her complaint, and for broadly the same reasons as our investigator. I've considered all that Mrs S and Barclays have sent us, though I may not comment on everything. Instead, I'll focus on the key points that determine the outcome of the complaint.

There are some instances where a bank like Barclays might be expected to prevent a scam from happening. And there will be times when a scam isn't stopped and where a bank must refund a customer. But principally it's a bank's implied legal duty to execute the payment instructions its customer gives (as set out in the Payment Service Regulations 2017). And, generally speaking, a customer will then be responsible for such payments.

A bank might become responsible for payments it has executed if there is evidence a scam has taken place. But where there is a dispute between a customer and a genuine supplier of goods and services, the bank is very unlikely to be responsible for refunding a customer.

It's clear from the evidence that Mrs S has provided that she's been very poorly treated by Mr H. I've no doubt that the work done by Mr H and his company was of a very poor quality. The photos she's provided of the work make that quite clear. And I also don't doubt that some of what was paid for hasn't been delivered at all.

I can understand why this would feel like a scam to Mrs S. The actions of Mr H must feel quite deliberate and dishonest. But I'm not persuaded there's sufficient evidence to say a scam has taken place. I'm satisfied the dispute she has is a civil matter between her and Mr H (and his company).

I don't intend to restate all our investigator said in detail. But the points he raised are valid. All the evidence we have, from the Companies House registration to the information provided by the bank the money was sent to, points to Mr H and his company being genuine and in the business of carrying out roofing work at the time Mrs S contracted them.

That the work has turned out to be of such poor quality doesn't mean the supplier wasn't genuine. The supplier might have breached the contract in terms of sub-standard work, and even in terms of not providing some of what was paid for, but this doesn't mean a scam has taken place.

It is true that Mr H did attend Mrs S' property and completed works. He then maintained contact with Mrs S long after those works had been completed. It may be true that the contact didn't lead to the work being completed, and some of that contact might have been prompted by Mrs S reporting the scam, but overall, I don't consider these to be the actions of a deliberate scammer. If this were a scam, I'd more likely expect to see little to no work taking place on receipt of payment and then all contact cut-off.

There was no bogus or non-existent company involved here. The money Mrs S sent went where she expected it to. And the contract she entered into was at least partially fulfilled, notwithstanding the quality issues involved. Again, this isn't indicative of a scam.

I can't say why Mr H did what he did or why he treated Mrs S so poorly. But I'm not persuaded his intent was to scam her from the outset.

I know Mr H dissolved his company in December 2022. I understand this could mean Mrs S has difficulty in pursuing him for the money she sent. But this doesn't change the position on whether this is a civil dispute or a scam.

My final decision

I don't uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 1 December 2023.

Ben Murray
Ombudsman