

The complaint

A complains that Barclays Bank UK PLC (Barclays) won't refund money lost as part of a scam.

What happened

In early 2024, Mr S, as director of A, was seeking to purchase supplies for his business. Having searched online, he found an international supplier which could provide the goods he was looking to buy (this international supplier is further referred to as Company S).

Mr S researched Company S and its products, then, satisfied with what he'd seen, decided to purchase the goods. Mr S made three international payments totalling £8,080.08 between March and April 2024.

In May 2024, Mr S got in touch with Barclays to make them aware that A had fallen victim to a scam. Mr S claimed that A had fallen victim to a scam on the basis that it hadn't received the goods paid for and Company S were no longer responding to correspondence.

Barclays looked into the matter but declined to refund A on the basis that there wasn't clear evidence that Company S had an intent to scam A at the outset. Barclays further explained that they believed this to be a genuine dispute between A, as the buyer, and Company S, as the seller. Barclays also confirmed they'd attempted to recall A's funds from the beneficiary bank but this was unsuccessful.

Unhappy with this response, A referred its complaint to our service via a professional representative.

An investigator looked into the matter but didn't uphold A's complaint. They felt there wasn't sufficient evidence to demonstrate that A was the victim of a scam. The investigator also explained that, even if Barclays had questioned the payments prior to their release, they wouldn't have identified A was at risk of fraud or financial harm.

A disagreed with this outcome and provided further evidence and arguments to demonstrate Company S had acted fraudulently and that they'd been scammed. The evidence and arguments included, but was not limited to, the following:

- Company S's name certification contained on their website, when translated, is for a different company.
- Had Barclays completed a Companies House search prior to the payments they'd have been concerned about the information available.

As the complaint couldn't be resolved by the investigator it has been passed to me for 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.

A, and its representative, have provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus on the points I find to be material to the outcome of A's complaint. This is not meant to be a discourtesy to A and I want to assure it that I have considered everything it has submitted carefully.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank such as Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payments were authorised, so the starting position is that Barclays isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Barclays also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Barclays acted fairly and reasonably in its dealings with A.

Has A fallen victim to a scam?

The Financial Conduct Authority (FCA) handbook defines authorised push payment (APP) fraud as:

'a transfer of funds by person A to person B, other than a transfer initiated by or through person B, where:

- (1) A intended to transfer the funds to a person other than B but was instead deceived into transferring the funds to B; or*
- (2) A transferred funds to B for what they believed were legitimate purposes but which were in fact fraudulent.'*

So, in order for me to reach the finding that A is the victim of an APP fraud, I need to determine whether the circumstances surrounding the payments meet the FCA handbook definition of APP fraud.

In order to reach my decision on this complaint, I've considered the purpose for which A made, and Company S received, the payments. And, if there is a significant difference in these purposes, whether I can be satisfied that this difference was as a result of dishonest deception.

It's clear that A made the payments in order to purchase aluminium foil containers and covers. So, I've gone on to consider what purpose Company S had in mind and whether that was in line with the purpose A made the payments.

The first payment A made appears to have been to cover transport costs for samples of goods from Company S. It has been confirmed that these samples were received by A, therefore I'm satisfied that the payment purpose of both parties aligned for the first payment. As that's the case, I'm not satisfied this payment meets the FCA handbook definition of APP fraud.

A made two further payments totalling £8,022.67 between 03 and 08 April 2024. Following these payments, A claims that Company S began requesting further payment in order to supply the goods.

Having reviewed the correspondence between the two parties, it's clear that A and Company S had reached a disagreement regarding the contractual payment dates and the costs incurred as a result of payments not being made in line with these contractual dates.

This is further demonstrated by the response Barclays received from the beneficiary bank after they contacted them in an attempt to recover A's funds. The beneficiary bank confirmed they'd contacted Company S, who explained they were unwilling to refund A's payments. The beneficiary bank went on to confirm that Company S explained to them that the payer (A) hadn't paid them in accordance with their contractual agreement and the cost of raw materials had increased, meaning the overall price A was required to pay had increased.

The response the beneficiary bank received from Company S is consistent with the explanations given by Company S in the correspondence between them and A. This evidence suggests that this was a contractual disagreement between A and Company S.

I've also considered A's other arguments relating to Company S and whether they were legitimate or not. But, when considered alongside all the other available evidence, I don't think the information available regarding Company S's director on Companies House nor the name certification on their website sufficiently demonstrates that they didn't have the intention of supplying the goods and services at the time of the payments.

Ultimately, it appears as though A made payments for aluminium foil containers and covers, and the evidence supplied to our service doesn't sufficiently demonstrate that Company S didn't have the intention of supplying the goods at the time the payments were made. A contractual dispute between a buyer and seller wouldn't be considered an APP fraud; and I believe that to be the case in this instance. On that basis, I'm satisfied that A's claim doesn't meet the FCA Handbook definition of APP fraud.

Could Barclays have prevented the payments from being made?

Part of A's complaint is that Barclays should've done more to prevent the payments at the time they were being made, given their high value and unusual appearance in comparison

with the typical operation of the account. As far as I can see from the evidence available, it doesn't appear that Barclays had a detailed discussion with A as to the purpose of the payments or that they asked questions to determine whether A may be at the risk of financial harm.

As referenced earlier in my decision, Barclays has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. That said, Barclays has no obligation to protect its customers from civil disputes.

As I don't believe A is the victim of an APP fraud, and that this is a civil matter between A and Company S, I'm satisfied that Barclays haven't failed any of their obligations by not providing any warnings prior to the disputed payments. I'm also satisfied that Barclays didn't miss an opportunity to protect A from fraud or financial harm.

Vulnerability

I can't see that Barclays were aware of Mr S's vulnerabilities at the time of the payments, so I can't say they ought to have taken alternative actions because of the health issues he was experiencing.

While I have every sympathy for the health issues Mr S was experiencing, I can't say they meant that he, nor A, were unable to protect themselves from scams. Furthermore, as I'm not satisfied that A is the victim of a scam, it wouldn't be fair to uphold the complaint on the basis that Mr S is vulnerable to scams.

Overall

Overall, I'm not persuaded that A has fallen victim to a scam, based on the evidence available. Should any material new evidence come to light at a later date, for example from Trading Standards or the police, A can ask Barclays to reconsider their claim.

So, I can't fairly say Barclays could've prevented A's loss.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 4 August 2025.

Billy Wyatt
Ombudsman