

The complaint

Mr P is unhappy that Barclays Bank UK PLC ("Barclays") won't refund the money he paid for vehicle that wasn't in the condition he expected.

What happened

I'm not going to cover all the points raised in detail. The view of 22 January 2025 covered the details of Mr P's testimony. But briefly, In May 2024 Mr P made two payments of £645 and £5,980 to an organisation (I will refer to as M) for a car he'd seen advertised on online automotive marketplace.

The vehicle was delivered to Mr P but it wasn't in the condition he expected. He took the vehicle to his local garage who found numerous faults and explained the engine had no pressure and may need to be replaced but it needed to conduct further investigation at a cost.

Mr P discovered the dealership had various garages and companies opened and closed by the same owner, indicating a common theme of selling faulty vehicles. He believes the vehicle was knowingly sold as faulty.

Mr P reported the matter to Barclays, but it said this was an issue between Mr P and the seller.

Our investigator looked into the matter. He said the situation didn't meet the definition of an authorised push payment (APP) scam and so Barclays was correct to consider the matter a civil dispute.

Mr P did not agree. He said the seller's actions demonstrate a clear intent to deceive. The seller knowingly misrepresented the vehicle's condition - inducing him to make a payment under false pretences. A seller's deliberate misrepresentation of goods to secure payment is fundamentally dishonest and should not be treated as a simple civil dispute.

Mr P also said that the alignment of purposes cannot be considered valid when the seller uses deception to create the appearance of alignment. In this case, the seller intentionally misled him into believing he was purchasing a reliable vehicle. The payment was made in good faith based on false representations, which invalidates any assumption of aligned purposes.

Mr P is also unhappy with Barclay's handling of the matter - as when he first raised concerns the bank had an opportunity to take preventative action but failed to do so meaning his funds weren't recovered.

As the complaint could not be resolved informally, it has been passed to me for a decision.

I am sorry it has taken so long to reach this stage and thank Mr P for his patience.

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.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

I understand Mr P has strong views about what has happened. I want to assure him that I've considered everything he's provided to support the complaint very carefully. I have read the detailed responses to the investigator's view and all the evidence on the file. However, my findings focus on what I consider to be the central issues.

I don't have the power to decide any dispute between Mr P and M (or any recourse he may have against M). My role is limited to looking at whether Barclays has treated Mr P fairly.

I'm sorry to hear about the situation Mr P has been left in through having bought this car. He has paid a large sum of money to buy the vehicle. But I'm not deciding a dispute between Mr P and M – I don't have any power to look into a complaint about M and how they acted, or about what they said or didn't say.

Despite my natural sympathy for what has happened here, I need to focus solely on whether Mr P has been treated fairly by Barclays, and specifically on whether it has obligations that might mean I can tell the bank it needs to do more to help him.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

The CRM Code provides protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an authorised push payment (APP) scam, as set out in it, is met. I have set this definition out below:

“...a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”*

The CRM Code is quite explicit that it doesn't apply to all push payments. It says:

"This Code does not apply to: (b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier".

The CRM Code isn't a general protection for consumers. Instead, it only applies in very specific circumstances – where the customer has been the victim of a scam. And there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties for a dispute to exist. And unfortunately, businesses (such as M) can fail or be mismanaged such that contracts are breached and agreed goods and services aren't provided. But that doesn't necessarily amount to evidence of an intent to commit an APP scam.

For me to conclude that Mr P has been the victim of a scam, I'd have to be satisfied that M deliberately tricked him into making a payment for goods it had no intention of providing at the time he made his payment.

Mr P has received the goods he paid for. The issue is that the goods aren't of a satisfactory quality, an issue clearly stated as not being catered for within the CRM Code. Had Mr P not received the car at all, or had it been vastly different to what he ordered, the outcome might have been different.

The dispute rather arises from what M told Mr P (or didn't tell Mr P) about the quality and history of the vehicle. The seller may have given false information about these points, but that doesn't make this an APP scam under the terms of the CRM Code – ultimately, having made the payments, Mr P received the same vehicle he had seen advertised.

In other words, the fact that the vehicle had significant faults, and these were undisclosed by M, doesn't make this an APP scam covered by the CRM Code.

So, as the problems come down to the condition of the car that was ordered and delivered, I can't say Mr P has been the victim of a scam.

I can see why Mr P feels differently. There appears to have been some misrepresented and misleading information given to him, along with very poor service from the seller. But that isn't enough for me to conclude Mr P has been scammed. He has still received the goods he paid for, albeit that the car isn't of satisfactory quality.

I appreciate that shortly after the purchase, Mr P received an email from M saying they were ceasing trading and didn't have enough money to go into liquidation and advised Mr P to issue winding up proceedings. I can see this has now happened. But I don't find the circumstances point to him having been the victim of a scam and so the CRM Code doesn't apply to the payments made.

Mr P has my sympathies. He's found himself in an unenviable situation. But overall, I'm not satisfied that there has been a bank error in this case. I can't see any fair or reasonable grounds on which I could say that Barclays should bear the responsibility of Mr P's loss, and I don't think it ought to have done more to assist Mr P in the circumstances – by intervening to prevent the payment or attempting to retrieve it from the beneficiary account.

That said I do note that Barclays did intervene and spoke to Mr P when he made the second payment. I have listened to that call but I'm not going to go into detail on this because, given that I'm supportive of Barclays' decision to conclude this is a civil dispute, there isn't any basis upon which any intervention ought reasonably to have caused concern with the payment. So, I can't fairly criticise Barclays for not having done more in these circumstances.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 September 2025.

Kathryn Milne
Ombudsman