

## **The complaint**

Miss B is unhappy that Barclays Bank UK PLC will not refund £14,400 she paid towards a franchise.

## **What happened**

Miss B paid £14,400 on 8 October 2024 to firm 'S' as the initial fee in a franchise agreement. She says she felt pressured into going ahead and after three weeks decided she did not want to proceed. She had by this stage signed a contract. Firm 'S' would not refund the initial fee as this contract made clear that it was a non-refundable payment. She then reported this as a scam to Barclays and asked it for a refund.

Barclays rejected Miss B's refund claim saying it was not a scam but a civil dispute between her and firm 'S'. Miss B came to this service unhappy with how Barclays had investigated her claim and the conclusion it had reached.

Our investigator did not uphold Miss B's complaint. He said it was a civil dispute and so could not be considered under our usual approach to scam complaints.

Miss B disagreed with this assessment and asked for an ombudsman's review. She said firm 'S' has now gone into administration and she has not, and will not, receive the package she paid for.

## **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.

In deciding what's fair and reasonable, I'm 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 time.

It's important to note that I am not deciding a dispute between Miss B and firm 'S' – I don't have the power to look into a complaint about firm 'S'. My role is limited to deciding the dispute between Miss B and Barclays. So, I need to decide whether Barclays acted fairly, when concluding that this amounted to a civil dispute and not a scam.

It isn't in dispute that Miss B authorised the payment that left her account. The starting position – in line with the Payment Services Regulations 2017 – is that she's liable for the transaction. But she says that she has been the victim of a scam – and as it was a faster payment that would be an authorised push payment (APP) scam. But not all complaints that come to us categorised as scams meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain, or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

At the time this payment was made the Faster Payment Service's (FPS) mandatory

reimbursement rules for APP scams were in place and Barclays has to comply with these rules. But they do not apply to civil disputes. So, I can only apply the rules to Miss B's payment or consider Barclays' liability to her under the rules, if I'm satisfied that the payment was made as part of an APP scam. And here I am not. I'll explain why.

On 1 November 2024 Miss B called Barclays to explain what had happened. She said that she wanted to buy the franchise, but she felt rushed. When she contacted firm 'S' to say she had changed her mind due to a change in circumstances it told her the payment was non-refundable. She accepts she received a training package to complete in order to operate under its franchise, and whilst she had started it she did not complete this before asking for a refund. She said she told firm 'S' she would be happy to pay for what she had accessed if she could get a partial refund. It refused pointing to the non-refundable clause in their contract.

It may be firm 'S' used sales methods that could be seen to be unfair by Miss B considering the loss she feels she's incurred – and I am sorry she felt pressured, but this does not necessarily amount to fraud. I have seen no evidence of an intent to deceive in this case, rather Miss B changed her mind but unfortunately the terms of the parties' agreement contained a clause (4.1) that said the initial fee was non-refundable.

Firm 'S' has been registered at Companies House since 2013 and was operating legitimately. Barclays has confirmed that it has processed other non-disputed payments to firm 'S'. I acknowledge that it has now gone into administration, but this does not change my finding that it was not a scam. Many legitimate firms fail financially.

I know Miss B feels strongly that firm 'S' has scammed her, but there is a high legal threshold or burden of proof for fraud. 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. Here, firm 'S' sent Miss B the training material she needed to complete, but she changed her mind about wanting to start a franchise. A dispute about whether she could get a refund followed. But this is a civil dispute rather than a scam. I haven't seen any evidence that firm 'S' set out from the beginning with the intent to defraud Miss B.

When Miss B made the payment Barclays completed a successful confirmation of payee match as it was a new payee and showed Miss B an automated tailored warning based on the purpose of the payment she selected (Bill/Invoice/Tax). I'm not going to go into detail on this however given that I'm supportive of Barclays' decision to conclude this is a civil dispute.

I know this will be a huge disappointment to Miss B but I don't think this situation meets the definition of an APP scam. I consider this to be a civil dispute and so any attempt to recover her loss would now have to be pursued directly with the administrators of firm 'S'.

So, for the reasons I've explained above, it would be not be fair to hold Barclays liable for the money Miss B has lost.

Finally, I have considered Miss B's dissatisfaction about the service Barclays offered when she called about the alleged scam. I have listened to the call between the parties. I don't think there were failings on Barclays' side. I can see Miss B was frustrated at one stage, but I am satisfied the agent's intent was solely to explain why it sounded more like a civil dispute. She made clear she was still logging the case, and that the questions she was asking Miss B were set questions she had to ask Miss B as part of the process. In terms of timings, Barclays logged the claim 1 November and gave a response timeframe of five working days. As it did not hear back from the receiving bank, it let Miss B know within that timeframe that an extension of up to 35 days had been given to the receiving bank. After the

extension was granted, the claim was rejected as a civil dispute.

**My final decision**

I am not upholding Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 29 October 2025.

Rebecca Connelley  
**Ombudsman**