

The complaint

Mr B complains that Barclays Bank UK Plc won't refund the money he says he lost to a scam.

What happened

Mr B's friend – Ms M – was approached by someone (who I'll call 'MT') offering to do work on her driveway. Ms M didn't need any driveway maintenance but did have a leak in her roof, and agreed for MT to repair cracked roof tiles and clear her gutters at a cost of £500. MT was working on Ms M's roof for a couple of hours, and Ms M believed he had done all the agreed work. As Ms M could not make the payment for the work herself due to a banking issue, she asked Mr B to pay the £500 to MT.

A few days later it rained, and Ms M discovered that her roof was still leaking. She contacted MT and asked him to come back to have another look at her roof. MT initially agreed to this but ultimately did not return to her property, he said that her roof needed much more significant works and that he felt he had done what was agreed for the £500 paid, so he refused to refund the money.

Mr B therefore asked Barclays to refund the loss, as he believed he (and Ms M) had been scammed by MT.

Barclays looked into what had happened, but said Mr B wasn't eligible for a refund under the relevant regulations as it didn't think he had been the victim of a scam. It said it thought this was more likely a private civil dispute between Ms M and MT.

Unhappy with Barclays' response, Mr B brought his complaint to this service and one of our investigators looked into things. But they agreed with Barclays that this was most likely a civil dispute, and so Mr B was not entitled to a refund of the payment he had made. Mr B remained unhappy, he maintains that MT scammed Ms M.

As the case could not be resolved informally, it's 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.

Having done so and having thought very carefully about Barclays' actions, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Mr B (and for Ms M) but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold Barclays liable for the loss.

This is because not all cases where individuals have lost sums of money are in fact fraudulent and/or a scam. So, whilst I can quite understand why Mr B and Ms M feel that this was a scam, 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 and for a dispute to exist.

When considering what is fair and reasonable in this case, I've thought about the Contingent Reimbursement Model Code (the CRM Code) which Barclays has signed up to and which was in force at the time Mr B made this payment.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam. So, I've thought about whether the CRM code applies in the circumstances of this complaint, and whether Barclays therefore ought to reimburse Mr B under the provisions of the CRM Code.

The CRM Code only applies in very specific circumstances – where the customer has been the victim of an APP (authorised push payment) scam. Under the CRM Code, an APP scam is defined as:

“...a transfer of funds...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 also quite explicit that it doesn't apply to all push payments. It says:

“DS2(2) 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.”

Fraudulent isn't defined in the CRM Code, but as the CRM Code specifically excludes civil disputes, I think I need to consider, as a first step, whether this was a scam (where a scammer takes money from a customer for no legitimate purpose) or a civil dispute (where a payment is made to a legitimate trading company or business, but there is some dispute about the goods or services that should have been supplied).

If this was a scam, or fraud – then banks (including Barclays) must follow industry and regulatory guidance, including the CRM Code, to check certain payments and in some circumstances, protect customers by stopping the payments and contacting customers about them. And where banks haven't followed the guidance, they can be asked to refund them. But where payments are made to a legitimate business for a legitimate reason, then such principles don't apply. This is then classed as a civil dispute, and for which banks normally have no liability.

Having thought very carefully about all that Mr B and Ms M have said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty, based on what I know and what the evidence shows, that MT set out with an intent to defraud Ms M.

I say this for the following reasons:

- MT did carry out some work at Ms M's property, the photos provided show repairs to a cracked roof tile which does appear to be part of the works that were agreed.
- While I cannot share the detail of what I have seen, MT's account statements do not show any clear signs that he was operating a scam, and MT's bank has said it had

no scam reports relating to MT's account.

- MT appears to have told Ms M that her roof required much more extensive repairs than the cracked tile repair and clearing of gutters that was apparently agreed.
- While there is limited information available online about MT, many such businesses operate as sole traders and on word of mouth rather than having any particular online presence.
- I don't consider that any of the evidence Ms M has provided regarding MT's contact information proves that MT was acting fraudulently.

All of this leads me to consider that MT was more than likely attempting to operate legitimately at the time this payment was made. I acknowledge that Ms M's roof does not appear to have been fully fixed, and that she disputes that MT properly cleared her gutters, but there are many reasons, other than fraud, why a legitimate contractor may do substandard work. A business may act unprofessionally but still be carrying out legitimate business, and this service isn't in a position to forensically analyse MT's actions here; we must consider the evidence that is before us. And, in doing so, I've not seen persuasive evidence that MT set out to defraud Ms M.

I know this will be a huge disappointment to Mr B and Ms M. I appreciate how strongly they feel about this case, and that Ms M has lost a significant amount of money here. But for the reasons I've explained above, I do not consider that the payment in dispute here is covered under the CRM Code, or that it would be fair to hold Barclays responsible for the money lost under any of the other relevant regulations or guidance.

My final decision

I do not uphold this complaint.

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

Sophie Mitchell
Ombudsman