

The complaint

Mr and Mrs G complain that Barclays Bank UK PLC ('Barclays') hasn't reimbursed them the funds they say were lost to a scam.

What happened

Mr and Mrs G hold a joint account with Barclays which was used to make the payment I have been asked to consider.

Mr G saw a car advertised for sale and contacted the seller. He says he was told the owner had had the car for three years and that it had a mileage of 130,000. Mr G paid £2,300 for the vehicle on 16 October 2024. When he got the car home Mr G checked the DVLA mileage and found that the mileage shortly before he bought the car was just over 212,000, so the seller had tampered with the mileage. The seller also hadn't owned the car for three years and there were faults with the car.

Mr G called Barclays to report what had happened on 17 October 2024. Barclays said Mr and Mrs G had a buyer/seller dispute and suggested that they contact the police.

Mr and Mrs G were unhappy with Barclays' response and brought a complaint to this service.

The investigator who considered this complaint didn't recommend that it be upheld. She said Mr and Mrs G have a civil dispute which Barclays isn't responsible for as although the vehicle was misrepresented, Mr G had received it.

Mr and Mrs G didn't agree with the investigator's findings. Mr G said that very shortly after buying the car himself, the seller altered the mileage and sold it for twice the price. The car was of no value and had been scrapped with a net loss of £1,720. Mr G also noted that the police had advised him to contact Action Fraud, which proves he is the victim of a scam.

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 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 more likely than not to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank 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.

Having carefully reviewed the evidence I've reached the same answer as the investigator. I'll explain why.

I appreciate that Mr and Mrs G have been wronged by the seller of the car. But my role isn't to consider a complaint between Mr and Mrs G and the seller but to determine whether Barclays, as their bank, treated them fairly. I also appreciate that it is illegal to change the mileage on a car, but this is a matter for the police.

Are Mr and Mrs G entitled to a refund on the last payment under the APP scam rules?

The Faster Payment Scheme Reimbursement Rules ("Reimbursement Rules") came into force on 7 October 2024 and apply to all UK-based Payment Service Providers (PSPs). They put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme, in all but very limited circumstances.

The Reimbursement Rules set out the requirements for a payment to be covered. Of relevance here:

- It must have been made as part of an APP scam (whether to a recipient or for a purpose other than the payer intended);

An APP scam is further defined as where fraudulent deception was used to obtain the funds where:

- The recipient is not who the Consumer intended to pay, or
- The payment is not for the purpose the Consumer intended

I'm not satisfied that Mr and Mrs G's payment is covered by the Reimbursement Rules.

The seller of the car was the intended recipient and was the person who received the funds. And, I haven't seen evidence that persuades me Mr and Mrs G's funds weren't used for the intended purpose. So, I'm not satisfied that Mr and Mrs G are entitled to a refund under the Reimbursement Rules.

The purpose of the payment was to purchase a car, and Mr and Mrs G received a car. Whilst it wasn't of the standard they expected, and had been misrepresented, I'm satisfied that the payment was for the purpose intended.

I'm not persuaded that reporting a matter to Action Fraud is proof of a scam. Action Fraud says on its website that if someone thinks they have been the victim of a scam they should report it to them.

Is there any other reason I could ask Barclays to refund Mr and Mrs G?

I'd expect Barclays to have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

In this case I don't consider the payment from Mr and Mrs G's joint account was so unusual and out of character that Barclays ought reasonably to have had any concerns, or taken additional steps, before processing it.

Overall, whilst I'm sorry to hear Mr and Mrs G have lost funds in these circumstances, I can't fairly require Barclays to reimburse them.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 23 October 2025.

Jay Hadfield
Ombudsman