

The complaint

Mr C is unhappy that Barclays Bank UK PLC (“Barclays”) won’t refund the money paid to a third party for buildings work.

What happened

I’m not going to cover all the points raised in detail. The view of 24 February 2025 covered the details of Mr C’s testimony. But briefly, between April and November 2023, Mr C made multiple payments totalling £16,565, as well as cash payments, to an individual I will refer to as P in this decision.

Mr C knew P’s wife from school so considered P a friend and P had recently completed work for a family member. Whilst the work was completed over a number of months, Mr C said it took longer than agreed and what was completed wasn’t up to building regulations standards. When Mr C challenged P about the quality of the work, the relationship broke down and P left the property without completing what was agreed.

Mr C reported the matter to Barclays, but it said this was an issue between Mr C and P. Our investigator looked into the matter. She 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 C did not agree. As the complaint could not be resolved informally, 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.

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 C 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 response 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’m sorry to hear about the situation Mr C has been left in by P. He has paid a large sum of money for building works. It’s clear that Mr C feels strongly that P has tricked him. From his perspective, P provided substandard half-finished work, didn’t work the agreed hours and ultimately didn’t turn up to complete the job. But I’m not deciding a dispute between Mr C and P – I don’t have any power to look into a complaint about P and how they acted, or about what they said or didn’t say or the quality of their work. My role is limited to looking at whether Barclays has treated Mr C fairly. 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 authorised push payment (APP) scam (except in limited circumstances). But the CRM Code only applies if the definition of an 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 P) 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 C has been the victim of a scam, I'd have to be satisfied that P deliberately tricked him into making a payment for services it had no intention of providing at the time he made his payments.

There's no dispute that P did do some work for Mr C here and a substantial amount of work was carried out over several months. This suggests an intention to deliver the agreed services. P may have provided substandard work and not completed the job but that's not enough to say this was an APP scam. Overall, P appears to have done a considerable amount more work than I'd expect from someone who never intended to complete the work.

I am unable to share details about a third party and the nature of their relationship with their bank. But the evidence I've seen, regarding the beneficiary account indicates that P's account was legitimate and had been established long before Mr C's payments were made. The activity is generally consistent with someone in the building trade. And the bank hasn't said it had any concerns about how the account was being operated prior or after Mr C's payments. No other similar claims have been made. This is not typical of a scammer's account.

The issue seems to be that the service wasn't of satisfactory quality, an issue clearly stated as not being catered for within the CRM Code. In other words, the fact that the building works are not to a satisfactory standard, doesn't make this an APP scam covered by the CRM Code. So, as the problems come down to the quality of the work, I can't say Mr C has been the victim of a scam.

I can see why Mr C feels differently. P may have provided substandard work and been acting unprofessionally and is now uncontactable, but I still think P's intention was to do the work that had been agreed and that the payments were being made for the purpose Mr C transferred them for. Mr C has still received the service he paid for, albeit that the work done isn't of satisfactory quality.

Mr C has my sympathies. He's found himself in an unenviable situation. I'm not saying he doesn't have a legitimate grievance against P. But this type of dispute isn't something that the CRM Code covers or Barclays can be held responsible for.

Overall, I'm satisfied that there hasn't 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 C's claimed loss, and I don't think it ought to have done more to assist Mr C in the circumstances – by intervening to prevent the payments or attempting to retrieve them from the beneficiary account.

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 C to accept or reject my decision before 19 September 2025.

Kathryn Milne
Ombudsman