DRN-5377608

The complaint

S, a limited company, has complained Barclays Bank UK PLC should have done more when they sent £13,750 to one of Barclays' accountholders after being the victim of a scam. They want the money refunded.

What happened

S is represented in their complaint by Mr K, one of their directors. S engaged a company (who I'll call D) to carry out some tarmacking works at their business premises. This was due to cost £18,000.

Mr K arranged an initial payment of about half (£9,500) to D. D confirmed they'd need further money to pay for supplies and a week later S made another payment of £4,250. D's account was held by Barclays.

It soon became apparent to Mr K that D was never intending to complete the work as they became increasingly difficult to contact. Mr K complained, on S's behalf, to their own bank and to Barclays that they'd been the victim of a scam. Their own bank believed this was a buyer/seller dispute, and therefore they wouldn't do anything. Barclays also believed they'd done nothing wrong and felt, after questioning D, this was just a civil dispute.

Mr K remained unhappy and brought S's complaint about Barclays to the ombudsman service.

Our investigator didn't believe that Barclays had done anything wrong and wouldn't have expected them to identify D's account as fraudulent.

Mr K didn't agree with this outcome and has asked an ombudsman to consider S's complaint.

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 I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, 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 have been good industry practice at the relevant time.

To help me come to a decision, I've reviewed the evidence provided by S explaining what they did to contract with D for tarmacking works. They've also provided additional evidence to show their firm belief that Mr B, trading as D, is actually a practised fraudster and would more than likely qualify for a starring role on TV's Rogue Traders.

That said, however, I'm not convinced I'd have expected Barclays to be aware of this prior to S's complaint to them in March 2024. I say this because:

- I've seen the evidence from Barclays about the two accounts Mr B set up. One of those, opened in November 2023, was trading as D. They carried out ID checks on Mr B when they opened his original account in 2022. And whilst I note the evidence S provided to show Mr B is likely to be an alias, I can see the checks Barclays conducted. I can't see anything which would indicate any concerns would have been clear to Barclays.

- Barclays has stated that they'd not received any previous dispute claims about D's activities (or Mr B's other supposed business). I wouldn't have expected them to have been aware that S's two payments to this account would be for services they'd not receive. As Barclays notes state: *"previous payment history seen which reflects the nature of the business regarding landscaping work"*.

- There's no dispute Barclays received a fraud claim for the payments when Mr K contacted them, on S's behalf, in March 2024. But I can also see that they contacted Mr B to query what this dispute was about and were satisfied that this was a buyer/seller dispute.

I'm sorry that this is the case, but I have no grounds to ask Barclays to refund S.

My final decision

For the reasons given, my final decision is not to uphold S's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 25 September 2025.

Sandra Quinn
Ombudsman