

Complaint

Miss M is unhappy that Barclays Bank UK Plc didn't reimburse her after she told it she'd fallen victim to a scam.

Background

In September 2024, Miss M hired a contractor (Mr S) to install new windows and doors at her home. She paid him £4,080. Around a month later, he told her that the work would be held up by delays with the manufacturer. A start date for the work in mid-November was agreed. Mr S visited Miss M's home and carried out some work. However, the quality of that work appears to have been exceptionally poor. Mr S told her that the installation would be accompanied by a FENSA certificate, but it later came to light that he was not an approved FENSA installer.

Miss M was understandably extremely unhappy with the service she'd received from Mr S. She complained to Barclays. It didn't think Miss M was the victim of a scam. Instead, it thought this was a private civil dispute between her and Mr S. At the same time, Miss M also entered into a protracted email correspondence with Mr S which, ultimately, resulted in her setting out her intention to take legal action. By February 2025, Mr S agreed to pay a refund to Miss M and so she dropped her threat of legal action.

However, she was still unhappy with the way that Barclays had handled things. In her view, it was wrong to have concluded that this was a civil dispute. If it had concluded otherwise, she would've received redress more quickly and it wouldn't have been necessary for her to have engaged in the back and forth with Mr S. She also says that an employee of the bank told her that, in order to demonstrate that this was a scam, she should obtain evidence of unsatisfied CCJs. She did so (for both Mr S and his limited company) but this didn't change the bank's position. Additionally, she says that the way the bank handled things caused her considerable emotional distress. She suffers with mental health difficulties and this episode resulted in her increasing the dosage for an antidepressant medication she takes.

As she was unhappy with the way Barclays had responded, she made a complaint to this service. It was looked at by an Investigator who didn't uphold it. Miss M didn't agree with the Investigator's opinion and so the complaint has been passed to me to consider and come to a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Under the relevant regulations, the starting position is that customers are responsible for payments they have authorised. Since Miss M authorised the payments in question, she is presumed liable for them. However, this is not the end of the matter. Banks are also expected to monitor account activity for signs of potential fraud. If a bank identifies indicators of risk, such as a payment being unusual or out of character, it should respond to that risk in a proportionate way. In addition to that, Barclays was a signatory to the Lending Standards

Board's Contingent Reimbursement Model Code (CRM Code). Signatories to the CRM Code were generally required to reimburse customers who fell victim to authorised push payment (APP) scams, except if a limited range of exceptions applied.

However, the CRM Code doesn't apply in all cases. In order for Miss M to benefit from its provisions, what happened here has to meet the relevant parts of its definition of an APP scam. In other words, these payments must have been ones where she "*transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent.*"

The CRM Code is also explicit that it doesn't apply to private civil disputes. It says:

"This Code does not apply to [...] 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 first matter, therefore, that I have to decide is whether the provisions of the Code apply at all in view of the above. To find that this was fraud, I'd expect (a) there to be a misalignment between the purpose for which Miss M made the payment and the purpose for which it was procured by Mr S; and (b) that difference to have been due to dishonest deception on the part of Mr S. The key consideration here is what his intentions were. I obviously can't know what they were for sure, so I have to look at what the other available evidence shows and use that to infer what their intentions likely were.

The threshold for establishing fraud is a high one. In criminal proceedings, the standard of proof is "beyond reasonable doubt," but this service assesses cases using the civil standard of proof, which is based on the balance of probabilities. Under this standard, a finding of fraud must be more likely than not. Even so, the bar remains high. It is not enough for fraud to be a compelling or persuasive explanation, nor is it sufficient for it to be the most likely among several possible explanations. It must be more probable than the opposite conclusion i.e. that fraud did not occur.

I've considered the evidence submitted carefully and I'm not persuaded that it does meet that standard. I'll explain why. It is beyond dispute that the workmanship provided by Mr S was of an exceptionally poor standard. Miss M obtained a second opinion from an alternative glazier, who highlighted the deficiencies in his work in excoriating detail. However, it must be noted that incompetence, however egregious, does not in itself constitute fraudulent conduct. On the evidence available, I am not satisfied that there are sufficient grounds to rule out the possibility that Miss M had simply hired a contractor who was out of his depth.

I have considered that, in the email correspondence, Mr S told Miss M that the installation would be accompanied by a FENSA certificate. The absence of either a FENSA certificate or separate confirmation of compliance with building regulations carries significant implications for the legality and safety of replacement window installations. It is unclear whether Mr S was aware of these requirements. The name of his company suggests that Mr S provided general maintenance services and I understand he had done this in the past for Miss M's former landlord. He wasn't a specialist glazier and so I can't exclude the possibility that Mr S was unaware that certification can only be issued by an authorised installer. It is plausible that he simply believed himself competent to undertake the work requested. While it is evident that Mr S ought to have exercised greater care, I do not consider that his statement regarding certification, in isolation, shows dishonesty.

Miss M has also provided evidence of several unsatisfied County Court Judgments against Mr S and his company. She says that this demonstrates a pattern of fraudulent conduct. I'm

not convinced by that. It's equally plausible that these unsatisfied debts reflect a history of poor business management, including the undertaking of work without the requisite skills, which in turn resulted in breaches of contract with other customers.

Miss M further argues that it is significant that Mr S only agreed to issue a refund after she threatened legal proceedings. In practice, if Mr S were engaged in deliberate fraud, it is unlikely that he would have entered into extended correspondence with Miss M or agreed to a settlement. I accept that Mr S altered his position when faced with the prospect of legal action and its potential consequences. However, this does not, in itself, establish fraudulent intent. Liability for breach of contract in civil proceedings can be established without satisfying the higher evidential threshold required to prove fraud. Miss M's evidence indicates that Mr S and his company were burdened with significant debts, which may explain his concern about the implications of legal action.

I've taken into account the conversation Miss M had with an employee of the bank on 7 January 2025. I agree with her that this conversation inappropriately raised her expectations that the bank would accept her claim and reimburse her losses. Barclays then wrote to her to reject her claim six days later. I can understand why it would've been a source of distress for her to have her hopes raised by the bank and then dashed so soon afterwards.

However, the rules that apply to this service say that I can only make an award in Miss M's favour "*where a complaint is determined in favour of the complainant ...*"¹ The crux of Miss M's complaint (i.e. that the bank treated this as a civil dispute, rather than a scam) hasn't been upheld and so I can't make an award for distress and inconvenience in respect of the way that call was handled, even if I thought such an award was justified.

I don't say any of this to downplay the significance of what Miss M went through. She was clearly very badly let down by Mr S and the consequences of that were very significant. I have a great deal of sympathy for her and the position she found herself in. However, my role is to look at the actions and inactions of the bank and, while I know she strongly disagrees, I don't think it was unreasonable for Barclays to have concluded that this was a civil dispute, rather than an APP scam.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 6 January 2026.

James Kimmitt
Ombudsman

¹ DISP 3.7 - <https://handbook.fca.org.uk/handbook/disp3/disp3s7>