

The complaint

Mr D complains that the Barclays Bank UK PLC (Barclays) won't refund payments they made as part of a scam, totalling £22,050.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary, I understand it to be as follows.

In March 2023, Mr D posted an advert on a website as he was looking to have an extension built on his property. Mr D was then contacted by K on behalf of Company A. K attended Mr D's property and discussed the works. K showed pictures of other projects he'd completed and Mr D was satisfied with what he saw.

Mr D received a quote outlining all the works needed as well as the responsibilities of Company A. K then asked for a deposit to ensure work would be carried out on Mr D's property as Company A were inundated with work and couldn't guarantee availability. So Mr D paid part of the deposit, then paid the rest of the deposit a few weeks later. Mr D was told the works would be completed in 5-6 weeks.

Mr D made the following payments:

Date	Type of payment	Amount
20-Apr-23	Faster payment - deposit	£1,500
30-May-23	Faster payment - deposit	£1,090
01-Jun-23	Faster payment	£3,885
09-Jun-23	Faster payment	£3,885
19-Jun-23	Faster payment	£3,885
22-Jun-23	Faster payment	£3,885
30-Jun-23	Faster payment	£3,885
		Total £22,050

Once the work commenced, Mr D was forced to keep to the agreed weekly payments by Company A and was told they wouldn't be able to continue the works if he didn't make the payments.

Mr D refused to make the final payment until the works were complete. At this stage Company A refused to return to the property and the works carried out on Mr D's property remained incomplete.

Sometime later, a local council planning team arrived at Mr D's property as they had no notice of the works. Following an inspection of the work, they found numerous faults with it.

Mr D contacted Barclays to raise a formal complaint. Barclays investigated the complaint but declined it on the basis that it was a civil dispute between Mr D and Company A. Unhappy with this response, Mr D referred his complaint to our service.

An investigator looked into Mr D's complaint but didn't uphold it. The investigator said that they didn't think there was sufficient evidence to demonstrate Mr D had fallen victim to an APP scam under the Contingent Reimbursement Model Code (CRM Code) and Barclays weren't liable to refund him.

Mr D disagreed with the investigator's findings and supplied further evidence and arguments, including the following:

- Company A pretended to carry out work in order to take as much money as possible from Mr D.
- Online evidence demonstrates that K has done the same to previous customers as he did to Mr D.
- Mr D was vulnerable at the time of the payments and Barclays failed to check that the payments were legitimate.

As the complaint couldn't be resolved by the investigator it has been passed to me for a decision.

Having reviewed the case, I reached the same overall answer as the investigator, but also addressed additional points which were raised following the investigator's assessment. So, I issued a provisional decision and gave both parties the chance to provide any further evidence they wanted considered before I issued a final decision.

What I've provisionally decided – and why

In my provisional decision I said:

Mr D has provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mr D's complaint. This is not meant to be a discourtesy to Mr D and I want to assure them I have considered everything he has submitted carefully.

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 most likely to have happened in light of the available evidence.

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

Barclays are a signatory of the Lending Standards Board's Contingent Reimbursement Model (CRM) Code which requires firms to reimburse customers who have been the victims of authorised push payment (APP) scams in all but a limited number of circumstances. But, the CRM Code does not apply to private civil disputes, for example 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 relevant part of the CRM Code definition of an APP scam requires that the payment was made to: *"another person for what they believed were legitimate purposes but which were in fact fraudulent."*

The Code also explains that it 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'*.

In order to reach my outcome on this complaint, I've considered the purpose for which Mr D made, and K received, the payments. And, if there is a significant difference in these purposes, whether I can be satisfied that this difference was as a result of dishonest deception.

It's clear that Mr D made the payments in order for building work to be carried out on his property. So, I've gone on to consider what purpose K had in mind and whether that was in line with the purpose Mr D made the payments.

In reaching an answer on what purpose K had in mind, the key information is:

- Mr D has confirmed that K didn't return to his property after he refused to make any further payments until the work had been completed. Mr D has also confirmed that K had made him aware that he wouldn't continue the works on the property unless he continued to make payment, as agreed.
- Mr D has provided testimony relating to the council planner's comments regarding the work that had been carried out on his property, with their comments pointing out numerous issues and faults.
- Mr D has stated that K failed to obtain the relevant planning permission or permits from the local authority required in order to carry out the work. Mr D believes this to be another aspect which demonstrates K's intention to not complete the work. But, I can see from the quote Mr D received that it states Company A are responsible for managing building control and getting the works signed off once completed. As the works weren't completed, it seems logical that Company A wouldn't have been in touch with the relevant authorities in order to get them signed off.
- Mr D has provided links to online news articles which appear to reference K and similar issues he's had in the past with other customers.

Mr D has argued that the little amount of work carried out by K was done so in order to induce him into paying as much money as possible before they would eventually disappear, leaving Mr D without his funds or the agreed construction work. But, I don't think the evidence provided establishes this.

I appreciate some of the online reviews Mr D has referenced appear to be concerning, but I need to be satisfied that K didn't intend on completing the works in this specific instance. So,

while the information appears to show K in a negative light, I don't think it outweighs the information and other points I've mentioned above.

Ultimately, it appears as though Mr D made payments for work to be completed on his property and the evidence supplied to our service doesn't sufficiently demonstrate that K, and Company A, didn't have the intention on carry out those works at the time the payments were made.

I appreciate that Mr D was experiencing some difficult personal circumstances at the time the payments were made but, as I'm not satisfied that Mr D's payments are covered by the CRM Code, I can't consider or apply the vulnerability considerations as set out under the Code. Further to this, as I can't see that Barclays were aware of any potential vulnerabilities at the time of the payments, I can't say that they failed in their duty of care to Mr D with regards to any potential vulnerabilities.

Lastly, I've considered whether Barclays could've done any more at the time of the payments in order to prevent Mr D's loss. Having reviewed Mr D's account statements, I don't think that the payments were suspicious or unusual enough to have warranted any intervention from Barclays. Further to this, I don't think the answers Mr D would've given to any questions asked by Barclays would've suggested that he might be at risk of financial harm.

Overall, I'm not persuaded that Mr D has fallen victim to an APP scam as defined by the CRM Code, based on the evidence available. Should any material new evidence come to light at a later date that would suggest that Mr D was the victim of a scam then I would suggest he contacts Barclays to make them aware of any new evidence.

I appreciate this will be disappointing to Mr D, given the impact this situation has had on him, but I'm unable to say that Barclays are liable to reimburse his losses.

My provisional decision

My provisional decision was that I didn't intend to uphold this complaint against Barclays Bank UK PLC.

Responses to my provisional decision

Mr D responded to say he didn't accept my provisional decision and that his complaint hadn't been considered correctly and supplied further comments and arguments, including the following:

- K failed to instruct the local authority within 14 days of the start date that works were due to be undertaken. K also failed to obtain the relevant sign off for building control. Both of these are legal requirements.
- The payments were out of character for Mr D's account. Had Barclays contacted him and given a warning he'd have been aware of such scams.
- It isn't Mr D's duty to make Barclays aware of his vulnerability. Rather, it's Barclays' duty to identify and protect their customer's funds.
- It isn't a civil dispute as Mr D didn't receive what he paid for.

Barclays responded to say they agreed with my provisional decision. As responses have been received by both parties, I've proceeded with issuing a final 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.

As stated in my provisional decision, I wasn't persuaded that Mr D was the victim of an APP scam. Having carefully considered the additional testimony provided by Mr D, I see no reason to reach a different answer than I did in my provisional decision.

I understand that Mr D feels strongly that Barclays should've done more to identify his vulnerability at the time of the payments. But, based on what I've seen, I don't believe Barclays would've been able to have identified the vulnerabilities that Mr D has described to our service. As that's the case, I wouldn't have expected them to have done anything differently.

Overall, the complaint points put forward by Mr D don't persuade me to reach a different answer. I don't think that the evidence demonstrates that Mr D is the victim of an APP scam as defined by the CRM Code.

My final decision

My final decision is that I do not uphold this complaint against Barclays Bank UK PLC.

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

Billy Wyatt
Ombudsman