

The complaint

Mr C complains Barclays Bank UK PLC won't refund the money he says he lost to a scam.

What happened

The background to this complaint is well known to both parties, and is not in dispute, so I won't repeat it in detail here. In summary, Mr C says he transferred funds totalling £15,450 to a builder to purchase materials and complete works to two properties. He says the builder was recommended to him by another builder he had used previously. He also said one of Barclays' staff members informed him that the builder had received 30+ payments from customers, further legitimising the builder.

However, Mr C says none of the works were completed by the builder. Instead, he says the builder kept making excuses – which he alleges were in fact all lies. He states that the builder had also accepted funds from others and failed to complete the agreed works. Additionally, other residents contacted him via social media to express their dealings with the builder, such as failing to pay wages. Consequently, Mr C believes the builder is a scammer and informed Barclays of his findings. In response, Barclays decided this was a civil dispute and it would be taking no further action.

Our Investigator reviewed the complaint and did not uphold it because they also thought the evidence showed this was more a civil dispute, compared with a scam. However, Mr C disagreed with this and requested a final decision.

As the complaint could not be resolved informally it has been passed to me to issue 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.

Having done so, I have decided to not uphold this complaint. I know this will be disappointing for Mr C and so I'll explain why below.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I am sorry to learn of Mr C's loss of funds. However, it would only be fair for me to tell Barclays to reimburse his loss (or a proportion of it) if: I thought it reasonably ought to have prevented the payments he made, or hindered the recovery of them – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

Banks have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. These are predicated on there having been a fraud or scam. So, the first consideration in determining Barclays' obligations would be whether there is evidence to show Mr C has been scammed.

Barclays has signed up to the voluntary Contingent Reimbursement Model (CRM) Code - which provides additional 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 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 out the definition of an APP scam as set out in the CRM Code 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) (ii) The Customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent.

Having considered whether the payments Mr C made to the builder fall under the scope of an APP scam as set out above, I don't think they do. To determine if Mr C has been the victim of a scam I have to consider if the intended purpose for the payments were legitimate, whether the intended purposes of both parties were broadly aligned and, if not, whether this was the result of dishonest deception.

Based on the evidence available to me, I've not seen sufficient evidence that the builder did not have the intention to follow the agreed contract and was instead accepting payment with fraudulent intentions. The builder met Mr C onsite to review the required works, gave a quote and then subsequently signed a contract with Mr C to complete the agreed works. This all looked to be professional, with the contract also outlining the terms of payment.

Additionally, I've kept in mind the builder came with a recommendation by another builder Mr C had used before. This does suggest some level of reputation as a builder within the local area – or it seems unlikely Mr C's previous builder would have recommended him. Mr C also confirmed he did complete research at the time – finding that the builder looked like a legitimate businessman who had been promoted by local and countrywide news organisations. Although he now believes the builder's solicitor and the police removed anything negative, this all does suggest he was a legitimate builder, rather than someone fraudulently obtaining funds.

I've noted the conflicting information as to whether any works were completed by the builder. In a call with Barclays, Mr C did say some works were completed – but then confirmed to our Investigator the prior works he referred to were not completed by this builder. He also explained that the electrician that was arranged by the builder also didn't complete any works – but only unscrewed some old fire alarms and turned on fuses so that some lights started flickering.

Within a transcript supplied by Mr C, when the builder was supplied with the details of the lights, and general work of someone he sent there, he said he was under the assumption that other electrical works had also been done. Alongside this, when Mr C stated he would begin removing some trunking the builder informed him not to do so, or he wouldn't know where everything went when completing the works. This too, alongside the ongoing contact with Mr C, suggests an intent for works to be completed – although clearly not in line with Mr C's agreed expectations.

I've noted Mr C's point that the Barclays' staff member said the builder had 30+ legitimate transactions into his account from customers. As he highlights, this does add to the legitimacy of the builder. However, although Barclays disagrees it would have said this, it ultimately does not then mean Barclays becomes liable for Mr C's loss – or, that it should have informed Mr C that all/some of the builder's customers are in disputes with him (if that is accurate).

Although I appreciate Mr C acted in good faith, even paying the builder additional funds when he says the contract did not require him to do so at that stage, I cannot say that Barclays then becomes liable for the losses he has suffered. I also do not doubt there may well be other individuals in the same situation as Mr C - where a contract was agreed, yet the builder has not acted in good faith and instead given allegedly untrue excuses. However, being untruthful with reasons for not completing works, no matter how immoral they may be, does not automatically mean that an individual was seeking from the outset to commit fraud.

I do not doubt the details Mr C has shared with me – so I do not require any additional evidence from him to confirm this. I think it's most likely that this builder agreed to do Mr C's works to raise funds for his business venture - which then highly likely became his primary focus, rather than Mr C's contracted works. Therefore, there may well have been a breach of contract – but that then becomes a civil dispute between Mr C and the builder. This is not something I would expect Barclays to be liable for and so I think it acted reasonably when it treated the case as a civil dispute.

Therefore, I do not consider Barclays' decision not to proceed with recovery attempts to be unreasonable. I've noted Mr C states other account holders' banks obtained the funds back, but that does not automatically mean Barclays has reached an unfair outcome. Although they may seem slight, there can be key differences between the different actions available to a bank.

My final decision

My final decision is 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 C to accept or reject my decision before 11 December 2025.

Lawrence Keath
Ombudsman