

The complaint

Mr and Mrs H complain that Lloyds Bank Plc won't refund the money they say they lost to a scam.

What happened

Mr and Mrs H had a leak in the roof around their chimney, and sought out a roofer to fix the issue. They found a roofing firm – which I'll call E – on Check-a-trade and contacted E directly to arrange a quote. E visited Mr and Mrs H's property and said they could repair the chimney for £650. Mr and Mrs H agreed for E to do the chimney work, but E then took a look inside their roof and told them it needed significant additional works, or it would be likely to fail any building survey. Mr and Mrs H were planning to sell their home, so this was extremely concerning to them.

E quoted £18,500 to repair the roof, Mr and Mrs H agreed to this quote and were assured the work would be done quickly and that they would be given a 20-year guarantee on the work. E started work on the roof on 7 October 2024, but then claimed that additional rafters also needed replacing, and so the price of the job would be higher than expected at £21,000. E completed the roof on 10 October 2024. However, there had been issues during the build, including the roof being left open to the elements during heavy rain, a dormer window being cracked, and difficulties communicating with the workers that E was using to complete the job. There were also other snagging issues that Mr and Mrs H were unhappy with, including debris not being tidied up, and concerns that the original chimney leak had not actually been repaired.

E asked Mr and Mrs H for payment for the job, and said they would come back for remedial works if the chimney was still leaking next time it rained. So, Mr and Mrs H paid £21,000 to Mr W, an individual connected to E, on 10 October 2024.

Ultimately E did arrange for the cracked window to be repaired, and did send workers to have another look at the chimney when it continued to leak. But Mr and Mrs H say the leak has still not been resolved, along with the other snagging issues, and that E eventually stopped communicating with them, and said they would not return to the property when Mr and Mrs H left a negative review of E online.

Mr and Mrs H reported E to Trading Standards, which has said it is investigating individuals that may be linked to E and who it believes are exploiting people into paying for work that is not needed. Mr and Mrs H also reported the matter to Lloyds, saying they had been the victim of a scam. Lloyds looked into what had happened, but said Mr and Mrs H weren't eligible for a refund as it said this was a private civil dispute between Mr and Mrs H and the roofer.

Unhappy with Lloyds' response, Mr and Mrs H brought their complaint to this service and one of our investigators looked into things. But they agreed with Lloyds that, based on what we currently know, this was most likely a civil dispute, and so Mr and Mrs H were not entitled to a refund of the payment they had made. Mr and Mrs H remained unhappy, they maintain that they have been the victim of a scam.

As the case could not be resolved informally, it's 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.

Having done so and having thought very carefully about Lloyds' actions, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Mr and Mrs H but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold Lloyds liable for their loss.

When considering what is fair and reasonable in this case, I've thought about the relevant rules that were in place at the time this disputed payment was made. From 7 October 2024, Payment Services Providers in the UK, like Lloyds, have been bound by the Faster Payments Scheme (FPS) and the CHAPS reimbursement rules. Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but "private civil disputes" are not covered.

I've therefore considered whether what has happened between Mr and Mrs H and E meets the reimbursement rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The rules define an APP Scam as:

"Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer's relevant account to a relevant account not controlled by the consumer, where:

- *The recipient is not who the consumer intended to pay, or*
- *The payment is not for the purpose the consumer intended"*

By contrast, a private civil dispute is defined as a *"dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty"*.

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing.

Mr and Mrs H paid Mr W, and I've seen nothing to suggest that he was not the person they intended to pay. So, Mr and Mrs H cannot be said to have paid a recipient they did not intend to pay, as per the definition above.

Mr and Mrs H's purpose for the payment was for their roof and chimney to be repaired, and while it is clear that there is some dispute about the quality of the work done, all the evidence I have seen demonstrates to me that E (or its subcontractors) did do extensive works to Mr and Mrs H's roof and chimney.

And having thought very carefully about all that Mr and Mrs H have said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty, based on what I know and what the evidence shows, that E set out with an intent to defraud them, or did not intend to fulfil the purpose they had agreed with Mr and Mrs H.

I say this for the following reasons:

- Most of the agreed work was completed, there is no clear evidence to suggest that the work was not necessary.
- While there were issues that Mr and Mrs H were unhappy with regarding the quality of the work, it seems that E did take some steps to try and resolve these concerns, which is not what we would usually expect to see from a fraudster.
- Mr W's bank, where Mr and Mrs H sent the payment for the work, has said it has no concerns about how Mr W's account is run and has not received other scam reports. And Mr W's account does show activity that one might expect to see from a roofing firm.
- While I acknowledge that another builder has apparently told Mr and Mrs H that the work E did was significantly overpriced, and of poor quality, there has been no formal assessment of the work done.

I acknowledge what trading standards have said about the concerns regarding individuals potentially linked to E. But I'm mindful that no conclusive findings seem to have been reached as yet regarding E specifically. I therefore don't consider that the comments from Trading Standards can be considered as strong evidence to say that E was acting fraudulently. Lloyds has though said that it may consider the matter again if any fraud charges are ultimately brought against E.

I also acknowledge that E ultimately did not provide the full services agreed, but there are many reasons, other than fraud, why a legitimate contractor may be unable to provide the services they have promised. A business may act unprofessionally but still be carrying out legitimate business, or it may get into financial trouble and be unable to meet its obligations to customers. And this service isn't in a position to forensically analyse E's actions here; we must consider the evidence that is before us. And, in doing so, I've not seen persuasive evidence at this time to show that E set out to defraud Mr and Mrs H.

I know this will be a huge disappointment to Mr and Mrs H. I appreciate how strongly they feel about this case, and that what has happened here has had a significant impact on them. But for the reasons I've explained above, I do not consider that it was unreasonable for Lloyds to decline Mr and Mrs H's claim under the relevant reimbursement rules.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 6 November 2025.

Sophie Mitchell
Ombudsman