

The complaint

Mr N is unhappy that Barclays Bank UK PLC ('Barclays') has decided not to refund the money he lost, to what he believed was an Authorised Push Payment ('APP') car purchase scam.

What happened

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

In late 2024, Mr N came across an individual, whom I'll call 'Mr C', selling a car through a well-known car selling platform.

Mr N met Mr C on 18 October 2024. He inspected the car, had a short test drive and subsequently purchased the car, paying £3,050.

On the drive back, the engine light came on showing a fault. Mr N says he was unable to contact Mr C about it. Mr N then took the car to a garage and was advised that a new battery might fix the electronic issues. When this didn't work, Mr N then took the car to a dealership for a diagnostics test and was informed that the fault was in relation to the gearbox. To solve the issue Mr N was told he would need a new gearbox. The dealership quoted a price of around £6,000 and Mr N advised the cheapest quote he could obtain was for £3,000.

Unhappy, Mr N contacted the car selling platform and was provided with a way of contacting Mr C. Mr C appeared to initially be willing to provide Mr N with a refund but then reneged.

Mr N then contacted the Driver and Vehicle Licensing Agency ('DVLA') who advised that Mr C was not the registered keeper of the car in question.

Given what had happened, Mr N considered he had been scammed, as he believed Mr C didn't have the right to sell the car and had also fraudulently misrepresented the car as being in good condition when it wasn't.

Mr N contacted Barclays to report the matter. Barclays considered the matter under the Faster Payment Scheme Reimbursement Rules ('Reimbursement Rules').

The Reimbursement Rules require Payment Service Providers ('PSPs') such as Barclays to reimburse APP scam victims in all but a number of limited circumstances.

Barclays concluded that this was a buyer/seller civil dispute rather than a scam. As it concluded Mr N wasn't the victim of a scam, it didn't consider it was liable to reimburse Mr N under the Reimbursement Rules. Barclays however did acknowledge that Mr N experienced issues accessing his final response letter on his 'app' and awarded £150 in compensation to recognise the delays and inconvenience caused.

Unhappy with Barclays response, Mr N referred his complaint to our service. One of our Investigators looked into the complaint and didn't recommend it should be upheld. In summary, our Investigator thought Barclays had acted fairly in reaching the decision it had. The Investigator also thought Barclays offer of compensation was fair.

Mr N disagreed with the Investigator's opinion and remained of the opinion that he had been scammed.

Mr N considered that he was the victim of a scam, as defined by the Reimbursement Rules, and his claim should therefore be covered and Barclays refusal to do so was not fair or reasonable in the circumstances.

In summary, Mr N considered:

- When he authorised the payment to Mr C he did so on the basis that Mr C was the legal owner of the vehicle who had the authority to sell it. As Mr C was never the registered keeper of the vehicle, Mr N considers he did not pay the person he intended to pay.
- While he had received the car, the purpose of the payment was to complete a legitimate, lawful purchase of a car with ownership transferred from the seller to him and that never occurred as he considered Mr C never held the legal right to sell the car.
- The presence of the car does not change the fact that he was deceived about who he was paying and what he was paying for. He did not receive what he was led to believe he was purchasing – that being a car sold by its legitimate owner.
- He was misled at the time of payment by a course of dishonest conduct.

So, as an agreement hasn't been reached, it has been passed to me for 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.

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 focussed on what I think is the heart of the matter here which is whether Barclays acted fairly in its answering of Mr N's complaint. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. 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'm very sorry to hear of what's happened to Mr N. I can see he feels strongly about what has happened. But having considered everything, I can see no basis on which I can fairly require Barclays to refund the money Mr N sent. I can appreciate that this outcome is not the one Mr N was hoping for, and I can understand why he wants to try and recover this money. But having thought about Barclays' actions, I am unable to say it has responsibility for refunding the money Mr N sent. I will explain why.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

The starting position in law is that Mr N will generally be considered liable for authorised payments. It's accepted that he authorised the payment in dispute and so he is liable for it in the first instance.

However, as alluded to earlier, a relevant consideration in this case is the Reimbursement Rules which came into force on 7 October 2024 and apply to all UK-based PSPs.

The Reimbursement Rules put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme, in all but very limited circumstances.

And the Reimbursement Rules set out the requirements for a payment to be covered. They state:

"...It must have been made as part of an APP scam (whether to a recipient or for a purpose other than the payer intended);"

An APP scam is further defined 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."*

Private civil disputes are also not covered by the Reimbursement Rules. The term private civil dispute is defined in the rules 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."

Our Investigator wasn't persuaded that what had happened to Mr N amounted to an APP scam as defined by the Reimbursement Rules. And the issues around the condition of the vehicle related to a civil dispute between Mr N and Mr C.

Mr N strongly disagrees. He feels the seller has scammed him. From what I have seen, although I accept Mr N may not have received a car that was in as good a condition as he expected, and it may have been misrepresented to him by the seller, I don't think I can fairly say that the situation Mr N finds himself in is a scam as defined by the Reimbursement Rules. I think Barclays conclusion that the payment Mr N made is not covered by the Reimbursement Rules was fair.

I can appreciate why Mr N feels he has been deceived. But I am mindful that Mr N did receive the car for the money he paid – so the payment he made was for the purpose he intended. There is no dispute that the car exists, as Mr N took possession of it, and I've not seen anything that makes me think the person selling it did not have the right to do so.

Mr N feels strongly that as Mr C wasn't the registered keeper he didn't have the right to sell the car. However, you don't need to be the 'registered keeper' in order to sell a vehicle. Only the 'legal owner' of a vehicle can sell it. So, while Mr C may not have been the registered keeper of the vehicle there isn't anything to suggest that he had no right to sell it such as the police advising it had been a stolen car for example.

I note that Mr N has advised that he expected the lawful purchase of a car with ownership transferred from the seller to him which didn't happen. However, Mr N by purchasing the car, was the legal owner. In most instances the seller will provide the 'new keeper' slip so the vehicle can be taxed and then post the V5C (log book) to the DVLA or tell the DVLA online as to who the new 'keeper' is, with the DVLA then sending the new V5C (log book) to the new 'keeper'. But where this isn't done by a seller, or there isn't a V5C (log book) available, the purchaser can do this themselves through completing the DVLA 'Application for a vehicle registration certificate'. So, I can't agree that because Mr C didn't follow the above process meant he was acting fraudulently or that it wasn't a lawful purchase.

Mr N has my sympathies, in that he purchased a car that wasn't in the condition he expected. But here I am considering whether it was fair for Barclays to decline reimbursing him under provisions of the Reimbursement Rules. And based on the evidence available I'm satisfied Barclays acted fairly in declining reimbursement. I've not seen anything to suggest Mr C didn't have the right to sell the car to Mr N. And Mr N received the car – so his payment was for the purpose he intended. And as I'm not satisfied the payment Mr N made meets the definition of an APP scam, then the concerns Mr N has around the condition of the car amount to a civil dispute between Mr N and Mr C. I also can't see any other grounds on which I could say that Barclays should fairly and reasonably bear the responsibility for refunding Mr N.

Finally, I note that Barclays paid compensation of £150 to Mr N for the delay and problems he encountered in receiving his final response letter. It seems a fair amount for the short delay and inconvenience caused to Mr N. And I'm mindful Barclays looked to rectify matters promptly once it was aware and acknowledged the level of service fell below what it expected and awarded an appropriate amount of compensation to reflect the delay and inconvenience caused.

My final decision

For the reasons explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 10 October 2025.

Matthew Horner
Ombudsman