

## **The complaint**

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

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of what happened here.

Mr C engaged the services of a contractor – who I'll call Mr H – to do some work at his home. Mr C agreed a price for the work, and paid £1,000 from his Barclays account for materials to complete the job. A further £3,600 was paid to Mr H from Mr C's wife's account, which is the subject of a separate complaint at this service. A small amount of materials was apparently delivered, and it appears that some work was started, but Mr H then said that he was unwell and unable to work for a period. He told Mr C that he may pass the job to another company to complete, and then said that he would be able to complete it but that there would be a few weeks delay.

When work did not resume, and Mr C was unable to get any meaningful response about whether Mr H would either complete the job or refund the money Mr C and his wife had paid, Mr C contacted Barclays to say that he thought he had been scammed.

Barclays looked into what had happened, but said Mr C wasn't eligible for a refund under the relevant regulations as it didn't think he had been the victim of a scam. It said it thought this was more likely a private civil dispute between Mr C and the contractor.

Unhappy with Barclays' response, Mr C brought his complaint to this service and one of our investigators looked into things. But they agreed with Barclays that this was most likely a civil dispute, and so Mr C was not entitled to a refund of the payment he had made. Mr C remained unhappy, so 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 Barclays' actions, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Mr C but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold Barclays liable for the loss.

This is because not all cases where individuals have lost sums of money are in fact fraudulent and/or a scam. So, whilst I can quite understand why Mr C feels that this was a scam, there is a high legal threshold or burden of proof for fraud and there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties and for a dispute to exist.

When considering what is fair and reasonable in this case, I've thought about the Contingent Reimbursement Model Code (the CRM Code) which Barclays has signed up to and which was in force at the time Mr C made these payments.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam. So, I've thought about whether the CRM code applies in the circumstances of this complaint, and whether Barclays therefore ought to reimburse Mr C under the provisions of the CRM Code.

The CRM Code only applies in very specific circumstances – where the customer has been the victim of an APP (authorised push payment) scam. Under the CRM Code, an APP scam is defined as:

*“...a transfer of funds...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) The customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”*

The CRM Code is also quite explicit that it doesn't apply to all push payments. It says:

*“DS2(2) This code does not apply to:*

*(b) 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.”*

Fraudulent isn't defined in the CRM Code, but as the CRM Code specifically excludes civil disputes, I think I need to consider, as a first step, whether this was a scam (where a scammer takes money from a customer for no legitimate purpose) or a civil dispute (where a payment is made to a legitimate trading company or business, but there is some dispute about the goods or services that should have been supplied).

If this was a scam, or fraud – then banks (including Barclays) must follow industry and regulatory guidance, including the CRM Code, to check certain payments and in some circumstances, protect customers by stopping the payments and contacting customers about them. And where banks haven't followed the guidance, they can be asked to refund them. But where payments are made to a legitimate business for a legitimate reason, then such principles don't apply. This is then classed as a civil dispute, and for which banks normally have no liability.

Having thought very carefully about all that Mr C has 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 Mr H set out with an intent to defraud Mr C. It seems more likely to me that this is a dispute about a contractor failing to complete the work agreed.

While I cannot share details of what I've seen, I have had sight of Mr H's account statements, which do not show any clear signs that funds were being misused. And Mr H's bank does not appear to have had any concerns about how his account was being operated prior to Mr C's claim, nor had it received any other scam claims prior to that time. I also have not been able to locate any information online to suggest that any other customers have had similar experiences with Mr H. Lastly, the correspondence I've seen between Mr C and Mr H does suggest there may be another reason, other than potential fraud for why the work was not completed as agreed. Mr H details a fairly serious illness, and the death of a family

member, and it appears that the relationship between Mr H and Mr C then breaks down to some extent, with neither party being happy with the actions of the other.

With this in mind, I don't think there is any clear evidence to suggest that Mr H was not operating a legitimate business when Mr C made the payment that is the subject of this complaint. And it's clear from what has happened that Mr C paid funds for materials and services which have not been provided, so I'm satisfied that this situation meets the definition of a civil dispute as set out in the CRM code, this means that Mr C is not entitled to a refund from Barclays under the Code.

I appreciate how Mr C feels about this case, and that the work he paid for was not completed. But that does not mean that this was a scam, rather than a case of poor or unprofessional business practices. A business may act unprofessionally but still be carrying out legitimate business, or it may get into difficulties that mean it is unable to meet its prior commitments. And this service isn't in a position to forensically analyse Mr H's actions here; we must consider the evidence that is before us. And, in doing so, I've not seen persuasive evidence that Mr H set out to defraud Mr C.

I sympathise with the position Mr C has found himself in, and I'm in no way saying that he doesn't have a legitimate grievance against Mr H. But, for the reasons I've explained above, I do not consider that the payments in dispute here are covered under the CRM Code, or that it would be fair to hold Barclays responsible for the money he has lost under any of the other relevant regulations or guidance.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 August 2025.

Sophie Mitchell  
**Ombudsman**