

### **The complaint**

Mr M complains that Barclays Bank UK Plc won't reimburse money he says he lost to fraud.

### **What happened**

As the circumstances of this complaint are well known to both parties, I have summarised them briefly below.

Mr M sought the services of a contractor to carry out home improvement works at his residence. He approached a business, who I will refer to as 'B', as he'd been recommended their services by a trusted friend.

Mr M was quoted for the work and decided to proceed with B. But after payments were made, B didn't complete the work to a satisfactory standard and left the project incomplete after a dispute ensued. The contractors also damaged Mr M's property causing further loss. Mr M says that he and his family were also threatened by the contractors into paying further funds from a credit card for goods that weren't received.

Mr M reported his concerns to Barclays, asking it to reimburse him under the provisions of the Contingent Reimbursement Model (the CRM Code). However, Barclays declined to reimburse Mr M as it found the matter to be a civil dispute between Mr M and B, rather than an instance of fraud.

Mr M remained unhappy with Barclays' handling of his claim, so he referred his complaint to our service for an independent review. An Investigator considered the evidence provided by both parties but agreed with Barclays' position that the matter was more likely a civil dispute. They didn't recommend the complaint be upheld.

Mr M disagreed with that assessment, so the complaint has now been passed to me to decide.

### **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.

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 have been good industry practice at the time.

There is no dispute here that Mr M authorised the transaction in question. And the starting position in law is that he will be held liable for the transaction authorised in the first instance. That is due to Barclays' primary obligation to process payments in line with its customer's instructions, as set out in the Payment Services Regulations 2017.

However, Barclays was a signatory to the Lending Standards Board's CRM Code at the time the payments were made. Under that Code, firms are expected to reimburse customers who fall victim to fraud, subject to a number of conditions and exceptions.

However, the CRM Code is only relevant if I'm persuaded Mr M was a victim of fraud. The Code specifically doesn't cover certain types of disputes. It says:

*"This Code 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".*

Likewise, even had the payments not fallen within the scope of the CRM Code, Barclays has no liability to reimburse Mr M his loss from a bank transfer where the matter is deemed a civil dispute; such as where he paid a legitimate contractor for goods or services, but they were not received or not to the standard expected.

Having reviewed the evidence carefully in this case, I cannot reasonably find that Mr M has been the victim of fraud here.

While I understand Mr M's strength of frustration in this case—in that he feels he and his family have been stolen from by representatives of B—, that is not enough to say that representatives of B set out with the intention to defraud him from the outset. Offences such as theft and blackmail are not covered by the CRM Code. Nor are breaches of consumer protection or contract laws. I therefore cannot direct Barclays to reimburse Mr M under circumstances involving these issues.

B appears from open resource checks to be a well-established business, with a formal registration on Companies House and generally positive reviews online. It also had a business bank account, which is where Mr M sent his funds. This account has had no prior concerns raised about it. Furthermore, B was recommended to Mr M via a trusted source, suggesting they have successfully carried out projects for third parties to a satisfactory standard.

For these reasons, I can't say B was an illegitimate business operating purely to defraud victims. It is more likely that B is a legitimate company with a history of successfully completing projects it is employed to carry out.

I've also seen no evidence that B, or its representatives, likely set out to defraud Mr M in these specific circumstances. There is no disagreement that contractors attended the property once the payment was made and carried out a substantial amount of work. However, this work was not carried out to a satisfactory standard and resulted in a dispute between representatives of B and Mr M: eventually leading to the project being abandoned. So the evidence would suggest an intent to complete the work from the outset.

Mr M has argued that incomplete and poor-quality work is evidence of an intent to defraud from the outset. But I respectfully disagree with this assertion. There are numerous other possible reasons for this, such as the contractor abandoning the project due to a dispute and/or poor business practices. I am unable, from the evidence available, to rule these possibilities out.

When considering the terms and definitions of the CRM Code, this cannot be considered an authorised push payment fraud. Mr M has however correctly identified that there are possible consumer protection and contract laws that have been breached in this case. But that is for B and its representatives to answer to, not Barclays.

Mr M has also pointed out that Barclays ought to have recovered his funds from the recipient bank. However, Mr M made his payment to B via a bank transfer. Bank transfers do not carry any protection once initiated, unlike card payments which do have schemes allowing for disputes with merchants. Therefore, Barclays had no formal means of disputing the payment with the recipient bank.

I am sorry to disappoint Mr M here, but Barclays has made no error in declining his claim under the provisions of the CRM Code. However, should material new evidence come to light in the future that supports Mr M's assertion that he has likely been defrauded, he can present that new evidence to Barclays for further review.

### **My final decision**

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 January 2026.

Stephen Westlake  
**Ombudsman**