

The complaint

Mr M complains that Barclays Bank UK PLC (“Barclays”) won’t reimburse funds he lost as a result of a scam.

What happened

In 2024, Mr M made numerous payments throughout the year for the purchase of various football shirts from a seller who had advertised their services on Facebook. This seller will be further referred to as “J”.

In November 2024, having still not received some of the items he’d ordered, Mr M contacted Barclays and requested they reimburse his payments as he felt he’d been the victim of a scam.

Barclays investigated the matter but declined to reimburse Mr M on the basis that this was a civil dispute between him and the seller. Unhappy with this response, Mr M referred his complaint to our service.

An investigator looked into Mr M’s complaint but did not uphold. The investigator found that this was a civil dispute and therefore Barclays were not liable to reimburse Mr M’s losses under either the Contingent Reimbursement Model (CRM) Code or the Faster Payment Scheme Reimbursement Rules.

Mr M disagreed with the investigator’s findings. In summary, Mr M felt that the seller had set out to scam him and that he should be reimbursed.

As the complaint couldn’t be resolved by the investigator it has 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.

Mr M has provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mr M’s complaint. This is not meant to be a discourtesy to Mr M and I want to assure him I have considered everything he has submitted carefully.

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 be good industry practice at the time.

In broad terms, the starting position at law is that a bank such as Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance

with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payments were authorised, so the starting position is that Barclays isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Barclays also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Barclays acted fairly and reasonably in its dealings with Mr M.

Is Mr M entitled to a refund under the CRM Code?

Barclays are a signatory of the CRM Code which requires firms to reimburse customers who have been the victims of authorised push payment (APP) scams in all but a limited number of circumstances.

The relevant part of the CRM Code definition of an APP scam requires that the payment was made to: *"another person for what they believed were legitimate purposes but which were in fact fraudulent."*

The Code also explains that it 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'*.

In order to reach my decision on this complaint, I've considered the purpose for which Mr M made, and J received, the payments. And, if there is a significant difference in these purposes, whether I can be satisfied that this difference was as a result of dishonest deception.

It's clear that Mr M made the payments in order for the purchase of goods. So, I've gone on to consider what purpose J had in mind and whether that was in line with the purpose Mr M made the payments.

I've reviewed evidence and information our service has received from the beneficiary bank which received Mr M's payments. I'm limited as to what information I can share with Mr M under data protection laws. But, I can see the seller has provided evidence they've supplied goods to Mr M. In line with this evidence, Mr M has also confirmed that he received some items, but many others remain unreceived.

Mr M has explained that the seller has given him numerous excuses regarding why some of his orders remain unfulfilled, including issues with obtaining the goods and issues difficulties with the supply chain. I've not been presented with any evidence to show these explanations to be untrue; and they do appear to be plausible explanations as to why Mr M's orders may be unfulfilled.

Legitimate businesses and ventures can often fail for a number of genuine reasons. Despite Mr M not receiving all the goods he paid for, I don't believe the available demonstrates that the seller had set out to deliberately deceive Mr M or that they had no intention of supplying the goods. As that's the case, I'm not persuaded that Mr M's payments meet the CRM Code's definition of an APP scam.

I appreciate that Mr M has explained many other people have experienced similar issues with J but, for the reasons stated above, I don't believe this would mean they didn't have the intention of supplying the goods to Mr M or any other buyers.

Is Mr M entitled to a refund on the last payment under the APP scam rules?

The Faster Payment Scheme Reimbursement Rules ("Reimbursement Rules") came into force on 7 October 2024 and apply to all UK-based Payment Service Providers (PSPs). They put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme, in all but very limited circumstances.

The Reimbursement Rules set out the requirements for a payment to be covered. Of relevance here:

- *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 fraudulent deception was used to obtain the funds where:

The recipient is not who the Consumer intended to pay, or

- *The payment is not for the purpose the Consumer intended*

For the same reasons previously given in relation to the CRM Code, I'm not satisfied that Mr M's payments are covered by the Reimbursement Rules.

J was the intended recipient and was the person who received the funds. And, I haven't seen evidence that persuades me Mr M's funds weren't used for the intended purpose. So, I'm not persuaded that Mr M is entitled to a refund under the Reimbursement Rules.

Is there any other reason I could ask Barclays to refund Mr M?

I'd expect Barclays to have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud. And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

In this case, considering the size of the payments, the spacing between them and their combined value, I don't think Barclays ought to have identified a potential risk of fraud or financial harm. I'm, therefore, satisfied that Barclays shouldn't have intervened and discussed the purpose of the payments prior to releasing Mr M's funds. On that basis, I can't fairly say Barclays should've prevented Mr M's loss.

I appreciate that Mr M has explained that he is vulnerable; but, as I'm not satisfied that Mr M's payments were as a result of an APP scam, I don't think Barclays are at fault by failing

to take into consideration any potential vulnerabilities when considering his request for reimbursement.

Overall

Taking everything into account, I'm not persuaded that Mr M has fallen victim to an APP scam, based on the evidence available. Following this, I'm not persuaded that his payments are covered by either the CRM Code or the APP scam reimbursement rules, or that Barclays were incorrect in declining his request for reimbursement.

I've no doubt that this will be extremely disappointing to Mr M, given the impact this situation has had on him, but I'm unable to say that Barclays are liable to reimburse his loss.

Should any material new evidence come to light at a later date, for example from the police or Trading Standards, Mr M can ask Barclays to reconsider his claim. But, as it stands, I can't fairly say Barclays should reimburse his loss under the CRM Code.

My final decision

My final decision is that 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 M to accept or reject my decision before 10 February 2026.

Billy Wyatt
Ombudsman