

## **The complaint**

Mr G is unhappy that Barclays Bank UK plc trading as Barclays (“Barclays”) won’t reimburse him the money he sent to a third-party for hotel accommodation.

## **What happened**

I’m not going to cover all the points raised in detail. The view of 14 August 2025 covered the details of Mr G’s testimony. But briefly on 24 December 2024, Mr G made a payment of £1,790 to a company (I will refer to as M in this decision) for hotel accommodation.

On 20 March 2025, M told Mr G that the hotel had cancelled the booking without explanation. Whilst it said it would offer an alternative solution – the hotel was too far away for Mr G. M said it would give Mr G a refund and eventually it stopped communicating with Mr G.

Mr G complained to Barclays that he’d been the victim of a scam. Barclays said this was a civil dispute between Mr G and M.

Mr G bought his complaint to this service. Our investigator did not uphold the complaint. He said the matter was a civil dispute which isn’t covered by the Faster Payments Scheme Reimbursement Rules (“Reimbursement Rules”).

Mr G did not agree. He said it is clearly a scam as M simply took the money and didn’t fulfil their promise. He said M claimed to be ATOL certified and this isn’t the case.

As the complaint could not be resolved informally, 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.

Having done so, I’ve come to the same outcome as the investigator for broadly the same reasons.

I understand Mr G has strong views about what has happened. I want to assure him that I’ve considered everything he’s provided to support the complaint very carefully.

I have read the responses to the investigator’s view and all the evidence on the file. If I don’t mention a particular point or piece of evidence, that’s not because I haven’t taken it into account. It’s just that I don’t consider it necessary to reference it to explain my decision, which is focussed on what I consider to be the main and material issues on which this complaint turns.

I’m sorry to hear about the situation Mr G has been left in by M. He has paid a large sum of money for hotel accommodation. It’s clear that Mr G feels strongly that M has tricked him.

From his perspective, M took his money and did not fulfil its promise.

I'm not deciding a dispute between Mr G and M. I don't have any power to look into a complaint about M and how it acted, or about the services it did or did not provide. My role is limited to looking at whether Barclays has treated Mr G fairly. Specifically, on whether it has obligations that might mean I can tell Barclays it needs to do more to help Mr G. It's important to note that it isn't for Barclays (or this Service) to investigate M or somehow prove that M wasn't operating legitimately.

When considering what is fair and reasonable, I'm also 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 relevant time.

Where I can't know for certain what has happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for firms to reimburse the customer even though they authorised the payment.

The payment in dispute in this complaint was made after 7 October 2024 when the Faster Payments Scheme Reimbursement Rules ("Reimbursement Rules") came into force. The Reimbursement Rules set out the requirements for a payment to be covered and set out the features and definition of an APP scam. The Rules specifically 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"*

And the Rules specifically outline that private civil disputes are not covered. 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."*

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

*"2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act."*

*2.5 provides an example of when this might apply:*

*"...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."*

The Reimbursement Rules are not a general protection for consumers. Instead, they only apply in very specific circumstances – where the customer has been the victim of an APP scam. And there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties for a dispute to exist. And unfortunately, businesses (such as M) can fail or be mismanaged such that contracts are breached and agreed goods and services aren't provided. But that doesn't necessarily amount to evidence of an intent to commit an APP scam.

For me to conclude that Mr G has been the victim of an APP scam, I'd have to be satisfied that M deliberately tricked him into making the payment for services it had no intention of providing at the time he made them and that the payment was not for the purpose Mr G intended.

Mr G had successfully used the services of M before. Looking at the messages between Mr G and M, it's clear on this particular occasion M had an issue with the supplier. On 20 March 2025, M contacted Mr G to explain that the hotel/supplier had cancelled the previous booking without providing M with any clarification. M explained that it had requested for it to either reinstate the same hotel or provide a similar category alternative but that they were taking time to respond. M also then explained it had arranged an alternative option until the matter with the original supplier was resolved. This suggests an intention to deliver the services. M may not have been able to fulfil the agreement (due to issues with the supplier) but that's not enough to say this was an APP scam. Overall, M appears to have done more than I'd expect from someone who never intended to complete what was agreed.

I note Mr G's concerns about M. While some of the issues Mr G has highlighted might suggest M wasn't acting as I might expect a professional to do, acting unprofessionally does not mean someone intends to operate a scam. And whilst an investigation in relation to other matters (such as M misrepresenting the position in relation to its ATOL certification) it does not necessarily show in relation to the specific transaction carried out in this particular case that it was made to an APP scam.

I am unable to share details about a third party and the nature of their relationship with their payment service provider. But the evidence I've seen, regarding the beneficiary account indicates that M's account was legitimate. The activity is consistent with someone in the travel industry – including paying other legitimate merchants/suppliers. And the beneficiary payment service provider hasn't said it had any concerns about how the account was being operated prior or at the time of Mr G's payment. This is not typical of a scammer's account.

The issue seems to be that the original agreement was not fulfilled – seemingly due to factors outside of M's control. Services not received is an issue clearly stated as not being catered for within the Reimbursement Rules. In other words, the fact that services were not ultimately provided, doesn't make this an APP scam.

I can see why Mr G feels differently. M was unable to fulfil what was initially agreed and its alternative option was not suitable for Mr G. M may not have provided a refund and now uncontactable, but I still think M's intention was to do fulfil the booking that had been agreed and that the payment was being made for the purpose Mr G transferred it for.

Mr G has my sympathies. He has found himself in an unenviable situation. I'm not saying he doesn't have a legitimate grievance against M. But I can only look at Barclays's responsibilities here. This type of dispute isn't something that the Reimbursement Rules cover or that Barclays can be held responsible for.

Overall, I don't think Barclays has treated Mr G unfairly when it made the decision not to reimburse him. I'm satisfied that there hasn't been a bank error in this case. I can't see any

fair or reasonable grounds on which I could say that Barclays should bear the responsibility of Mr G's loss, and I don't think it ought to have done more to assist Mr G in the circumstances – by intervening to prevent the payments or attempting to retrieve the payments from the beneficiary account.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 February 2026.

Kathryn Milne  
**Ombudsman**