

The complaint

Mr and Mrs V complain that Barclays Bank UK PLC won't reimburse money they lost to fraud.

Mrs V is the principal complainant here, so for ease of reading I have only referred to her throughout my decision.

What happened

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

In April 2024, Mrs V sought services of a company to replace the windows at her property. She visited the showroom of a company I will refer to as 'Business A', resulting in a representative visiting her property, taking measurements and providing a quote.

Happy to proceed with their services, Mrs V made a payment of £13,500 from her Barclays account to the account of Business A.

Representatives of Business A were to attend the property and commence the works agreed, but didn't. After making further enquiries, Mrs V discovered that Business A had entered into administration. She contacted the window suppliers to check if their window order could be recovered, but was told that the order had been cancelled by Business A.

Believing she had been defrauded, Mrs V contacted Barclays to raise a claim. But after carrying out an investigation, Barclays found that it had no liability to reimburse Mrs V's loss. It concluded that the matter was likely a civil dispute between Mrs V and Business A, rather than an instance of fraud.

Unhappy with that assessment, Mrs V referred her 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 likely a civil dispute.

Mrs V remained unhappy, as she felt she had been the victim of fraud. So the matter 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 Mrs V authorised the transaction in question. And the starting position in law is that she 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 Mrs V 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 Mrs V her loss from a bank transfer where the matter is deemed a civil dispute; such as where she paid a legitimate business for goods or services, but they were not received.

Here, the evidence would suggest that Business A was a legitimate business. It had been formally registered with Companies House and had a physical business property showcasing its products and services: something that isn't typically seen in cases of fraud.

Mrs V has also provided our service with evidence that Business A, just over a month after paying her deposit, placed an order with a window supplier for the windows to be installed at her property. While this order was cancelled by Business A circa a week later, this does go some way toward proving its intent to fulfil the work it had been employed to do.

I can also see Mrs V made payment to an account in Business A's name, further supporting a legitimate business using its Business Account to receive the funds for the job. Our service has requested information from the account provider, and while I am unable to disclose specific information relating to this account—as it pertains to a third party—the account's usage is consistent with that of a legitimate business. There was also no fraud concerns raised regarding the account's operation.

I have also seen no evidence thus far that would indicate any false representations or misappropriation of funds by Business A or its representatives. Mrs V has told our service that Trading Standards are looking into the allegations made, but to date no formal action has been taken and no indications have been given of any wrongdoing.

Mrs V has submitted to our service lengthy representations setting out why she believes she has been a victim of fraud. A summary of the pertinent points is:

- No formal contract was provided.
- Business A failed to deliver the goods/services paid for.
- Agreement to a large discount during negotiations, inferring a deliberate tactic to convince Mrs V to part with the money.
- Evidence that Business A was in serious financial difficulty a year prior to its administration.

I have taken onboard Mrs V submissions here and thought about them carefully. But these are not likely indications that Business A set out with the intention to defraud her. There is no doubt that the business was in financial difficulty, and that Mrs V didn't receive the goods or services she'd paid for. But there are other feasible explanations for these, such as mismanagement of finances, poor business practices, or unforeseen circumstances. I am

unable, with the evidence available, to rule these scenarios out. It is also not fraudulent for a business to continue trading while it is in financial difficulty.

I do understand Mrs V's strength of feeling here. She has paid a substantial sum to a business that has failed to deliver the goods or services she has paid for in good faith. But I can only expect Barclays to reimburse her for that loss where there is substantive evidence the business likely set out with the intention to defraud her from the outset. I am sorry to disappoint Mrs V, but I cannot reasonably reach that conclusion with the evidence available.

However, should material new evidence come to light in the future that supports Mrs V's assertion that she has been defrauded, she 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 V and Mrs V to accept or reject my decision before 27 January 2026.

Stephen Westlake
Ombudsman