

The complaint

Mrs S complains that The Royal bank of Scotland Plc (RBS) won't refund the money she says she lost to a scam.

What happened

Mrs S had an issue with her car and saw a recommendation for a mechanic on a local Facebook group; I'll call the mechanic Mr H. Mr H came to see Mrs S' car and said he would need to order a specific part to carry out the repair. Mrs S paid £280 for the part, she made this payment to an account belonging to a third party (Mr H's partner) at Mr H's request.

When the part arrived, Mr H told Mrs S that it was the wrong one, and that he would need to order the correct part which was more expensive, so Mrs S made a further payment of £265 to the same account as before.

In March 2025 Mr H attended Mrs S' property and fitted the new part to her car, she paid him £120 cash for the labour. But on seeking a second opinion from another mechanic, Mrs S identified that the part that had been fitted to her car was not correct. She told Mr H of the issue, and he removed the new part and reinstalled the old one, he said he would refund Mrs S for the money she had paid for the part – £545 in total – but this refund was not forthcoming, and Mrs S was left out of pocket. She has seen various posts online from other people who have had similar experiences with Mr H, and feels that he intentionally scammed her.

Mrs S contacted RBS to say that she believed she had been the victim of a scam. RBS looked into what had happened but did not consider it was liable for Mrs S' loss as it considered this matter to be a civil dispute rather than a scam.

Unhappy with RBS' response, Mrs S brought her complaint to this service and one of our investigators looked into things. But they agreed with RBS that, based on what we currently know, this was most likely a civil dispute, and so Mrs S was not entitled to a refund of the payments she had made. Mrs S remained unhappy, she maintains that she has been the victim of a scam and that she should be entitled to a refund of her loss.

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 RBS' actions, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Mrs S but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold RBS liable for her loss.

When considering what is fair and reasonable in this case, I've thought about the relevant rules that were in place at the time this disputed payment was made. From 7 October 2024, Payment Services Providers in the UK, like RBS, have been bound by the Faster Payments Scheme (FPS) and the CHAPS reimbursement rules. Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but “private civil disputes” are not covered.

I've therefore considered whether what has happened between Mrs S and Mr H meets the reimbursement rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The rules 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”*

By contrast, a private civil dispute is defined 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”*.

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing.

Mrs S paid the account she was told to pay by Mr H, and I've seen nothing to suggest that was not the account she intended to pay. So, Mrs S cannot be said to have paid a recipient she did not intend to pay, as per the definition above.

Mrs S' purpose for the payment was to pay for a car part to be ordered and delivered, and a car part was ordered, delivered, and fitted to her vehicle. However, I appreciate that it then appears to have been identified as the wrong part, leading Mrs S to doubt Mr H's motivations.

But having thought very carefully about all that Mrs S 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 Mrs S, or did not intend to fulfil the purpose he had agreed with Mrs S for the transaction. Mr H did order a car part, and he did fit it to Mrs S' car, he then came and uninstalled it (and reinstalled the old part) when Mrs S told him he had installed the wrong part.

I acknowledge that there were issues with the repair, and that other people also appear to have had a bad experience with Mr H. And I'm not saying that there is no issue between Mrs S and Mr H, clearly there is. Mr H ultimately did not provide the full services agreed, but there are many reasons, other than fraud, why someone may be unable to provide the services they have promised. And that does not mean that it would be fair to hold RBS liable for Mrs S' loss. Neither RBS nor this service is in a position to forensically analyse Mr H's actions; we must consider the evidence that is before us. And, in doing so, I've not seen persuasive evidence at this time to show that Mr H set out to defraud Mrs S rather than simply doing a poor job and then being unable or unwilling to refund Mrs S' money when he couldn't do the job to her satisfaction.

I know this will be a huge disappointment to Mrs S. I appreciate how strongly she feels about this case. But for the reasons I've explained above, I do not consider that it was unreasonable for RBS to decline Mrs S' claim under the relevant reimbursement rules.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 9 April 2026.

Sophie Mitchell
Ombudsman