

The complaint

Mr E complains that Barclays Bank UK PLC won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In May 2025, Mr E was interesting in buying a horse and saw one advertised for sale on an online marketplace. He contacted the seller and, after initially agreeing to buy the horse, he then made three payments from his Barclays account to pay for a deposit, veterinary tests and the balance of the purchase price.

I've set out the payments Mr E made below:

Date	Amount
21 May 2025	£500
23 May 2025	£74
27 May 2025	£4,950

Unfortunately, after these payments were made Mr E says multiple livery yards refused to accept the horse due to health concerns and the seller failed to provide test results and documentation. Mr E then told the seller he was rejecting the sale and asked for a refund of the money he had paid. But the seller refused the refund, so Mr E reported the payments he had made to Barclays as a scam.

Barclays investigated but said it felt this was a civil dispute between Mr E and the seller, rather than a scam. So it didn't agree to refund the payments he had made. Mr E wasn't satisfied with Barclays' response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think Barclays had acted unreasonably in not refunding the payments Mr E had made, and didn't think it should be required to refund them. Mr E disagreed with our investigator, so the complaint has been passed to me.

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 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 the bank to reimburse the customer even though they authorised the payment.

The Payment Systems Regulator introduced the APP Scam Reimbursement (ASR) rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain

circumstances. However, the rules only apply where the customer has been the victim of an APP scam, which the rules define 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”*

The rules also specifically outline that private civil disputes are not covered. And a 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:

“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.”

It also provided an example of a civil dispute:

“...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.”

So in order to determine whether Mr E has been the victim of a scam as defined in the ASR rules, I need to consider whether the payments were made for the purpose he intended and then, if they weren't, whether this was the result of fraud or dishonesty on the part of the seller.

I've thought very carefully about this, and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is more likely to have happened, based on the evidence I do have.

I'm satisfied Mr E made the payments here for the purpose of purchasing a horse. But I'm not persuaded I can safely conclude that the purpose the seller intended for the payments was different to this, or that Mr E's and the seller's purposes for the payments weren't the same.

From what I've seen of the communication between them, the seller appears to have been willing to complete the sale and arrange delivery of the horse until Mr E said he was rejecting the sale and asked for a refund. So I think this suggests the seller intended to complete the sale and their intended purpose for the payments was the sale of the horse.

The bank the payments were sent to has also told us it hasn't received any other scam reports against the account. And I've seen evidence relating to the account the payments were made to, and while I can't share any details of this evidence, I think it shows the account appears to have been run at the time as I would expect a legitimate business' account to have been run and doesn't suggest it was being used to operate a scam.

I appreciate Mr E has said the seller misrepresented the horse's health and history. But, while this may be the case, I think this more closely resembles dissatisfaction with a supplier of goods or services, or a complaint about the quality of goods received. And, as I explained above, these kinds of civil disputes are specifically excluded from the definition of a scam under the ASR rules.

Mr E has also argued that the seller's actions breach consumer protection, and made several arguments in relation to contract law. But while these arguments he has raised may mean he could make a claim against the seller under consumer protection legislation, any such claim wouldn't be the responsibility of Barclays, and I don't think the issues go far enough to say the seller was operating a scam.

And while Mr E has said the seller has a poor reputation in the equine community and this may suggest they have acted unprofessionally in the past, acting unprofessionally is not the same as intending to operate a scam.

So I'm not persuaded the available evidence is sufficient to safely conclude that the purpose the seller intended for these payments was different than the purpose Mr E intended, or that the payments weren't made for the purpose Mr E intended. I think both Mr E's and the seller's intended purpose for the payments was the same – to pay for the sale of a horse. While Mr E feels he was misled about the health of the horse, I don't think this meets the definition of a scam from the ASR rules.

And so I think Barclays has acted reasonably in saying the circumstances here don't meet the definition of a scam from the ASR rules, and in not agreeing to refund the payments Mr E made as a result.

I also don't think there are any other grounds on which it would be fair and reasonable to require Barclays to refund the payments Mr E made here.

I sympathise with the position Mr E has found himself in and I recognise that the delivery of the horse wasn't completed and so he hasn't received what he understood he was paying for. I'm also in no way saying he did anything wrong or that he doesn't have a legitimate grievance against the seller. But I can only look at Barclays' responsibilities and, for the reasons I've explained above, I don't think it would be fair to hold Barclays responsible for the payments he made here.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 6 March 2026.

Alan Millward
Ombudsman