

The complaint

Mr S 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 early 2024, Mr S was looking to get some repair work done on his car. He found a garage advertised online and, after checking reviews, agreed for it to carry out the work. He then made a number of payments to the garage from his Barclays account, as set out below:

Date	Details	Amount
9 April 2024	Card payment	£1,950
21 May 2024	Bank transfer	£2,000
7 June 2024	Bank transfer	£1,562.50

Unfortunately, when the car was returned to him, Mr S says the faults the work was intended to fix were still present and there were further faults. He returned the car to the garage but was then asked to make another payment before the car could be returned to him. And when he received the car, the faults had not been fixed. Mr S then also found reports online from people who felt they had been scammed by the garage, so reported the payments he had made to Barclays.

Barclays investigated but said it felt this was a dispute between Mr S and the garage, rather than a scam. The card payment was refunded following a chargeback claim, but Barclays didn't agree to refund the two bank transfers Mr S had sent to the garage. Mr S 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 the available evidence was enough to say a scam had taken place. So they didn't think Barclays should have to refund the payments Mr S had complained about. Mr S 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.

The card payment Mr S made to the garage for £1,950 on 9 April 2024 has already been refunded to him. So I haven't considered this payment any further, and have focused on the two later payments which have not yet been refunded.

In broad terms, the starting position at 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.

At the time of the payments, Barclays was a signatory of the Lending Standards Boards Contingent Reimbursement Model (the CRM code). This required firms to reimburse customers who had been the victim of certain types of scams, in all but a limited number of circumstances. But customers were only covered by the code where they had been the victim of a scam – as defined in the code.

The relevant definition of a scam from the CRM code is that the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

The CRM code also says it doesn't apply to private civil disputes, 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 S has been the victim of a scam as defined in the CRM code I need to consider whether the purpose he intended for the payments was legitimate, whether the purposes he and the garage intended were broadly aligned and then, if they weren't, whether this was the result of dishonest deception on the part of the garage.

But I'm not satisfied the evidence I've seen shows that the garage intended a different purpose for the payments than Mr S, or that Mr S' and the garage's purposes for the payments weren't broadly aligned.

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 likely to have happened, based on the evidence I do have.

I appreciate that the repair work Mr S agreed for the garage to carry out on his car wasn't completed to his satisfaction and that he feels his car was left in worse condition than before it was given to the garage. But companies can fail to carry out agreed work or carry out work to a poor standard for a number of reasons, that don't necessarily mean they were operating a scam. So I don't think this, by itself, is sufficient to say the garage was operating a scam here.

Mr S says he checked online reviews of the garage, and saw a recommendation on an online specialist car forum from someone who had work done by the garage. But I wouldn't usually expect someone operating a scam to be able to arrange this kind of recommendation.

The bank the payments were made to has told us it carried out a review of the account the payments were made to after being made aware of Mr S' scam claim, but felt the evidence suggested this was a dispute and not fraud.

I've also 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 also haven't seen clear evidence which shows that the garage never intended to carry out the agreed work on Mr S' car, rather than that the work was carried out but to a poor standard. And while Mr S has mentioned a police investigation into the people running the garage, I understand this investigation is not continuing as there was no longer a realistic prospect of conviction. So I haven't been provided with evidence of any investigation by an

external organisation which concluded that the garage was operating a scam in relation to the payments Mr S has complained about.

So I'm not persuaded that the available evidence is sufficient to safely conclude that the purpose the garage intended for these payments was different than the purpose Mr S intended. And so I don't think the circumstances here meet the definition of a scam from the CRM code, or that Barclays has acted unreasonably in not agreeing to refund these payments as a result.

It's possible that material new evidence may become available at a future date, which suggests that the garage did take the payments using dishonest deception. If that happens, Mr S can ask Barclays to reconsider his claim for these payments under the CRM code and, if not satisfied with its response, bring a new complaint to our service.

Mr S has mentioned that he knows of other people who have been scammed by the garage or who have received refunds following complaints to our service. But our service looks at each complaint separately, on its own merits. I can't comment here on the difference between this case and any other. But, for the reasons I've explained above, I'm still satisfied Barclays has acted reasonably in not refunding the payments Mr S has complaint about.

I sympathise with the position Mr S has found himself in and I recognise that he has been left with a car that has a number of faults despite paying for them to be repaired. I'm also in no way saying he did anything wrong or that he doesn't have a legitimate grievance against the garage. But I can only look at Barclays' responsibilities here and, for the reasons I've explained above, I don't think it would be fair to hold Barclays responsible for the money he has lost.

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 S to accept or reject my decision before 13 February 2026.

Alan Millward
Ombudsman