

## The complaint

Miss H complains that Barclays Bank UK PLC ('Barclays') won't reimburse the funds she lost when she says she fell victim to a scam.

## What happened

Miss H says that she arranged to have surgery at a clinic I'll call B on 20 July 2023. In May 2023 she made two payments which added up to £3,750 to a company I'll call M for this surgery. B rescheduled the surgery on three occasions, giving a different reason each time. Miss H then struggled to get in touch with B. She hasn't received the treatment or a refund.

Miss H raised a fraud claim with Barclays. Barclays said Miss H has a buyer/seller dispute that it can't get involved in.

Miss H was unhappy with Barclays' response and brought a complaint to this service. She said she'd like to bring to the attention of this service the activities of M and B.

The investigator who considered this complaint didn't recommend that it be upheld. He said that Miss H has a dispute with M which Barclays isn't responsible for. The investigator also didn't think Barclays should have done more to protect Miss H when the payments were made.

Miss H didn't agree with the investigator's findings. I have summarised her main points below:

- She and other women have experienced serious issues with B which she thinks amount to fraudulent and deceptive trading practices. Over 30 women have reported that surgeries have been cancelled at the last minute with identical reasons provided.
- Although B has claimed bankruptcy it continues to operate with the same staff and B accepted her payment after it went into liquidation.
- She was told to pay by bank transfer as the card machine wasn't working. B then didn't provide a refund when her surgery was cancelled.
- B was featured on TV because of its fraudulent practices but has continued to operate under a different name.

## 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, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Miss H paid M for a service that I understand was due to take place at B's clinic. As Miss H paid M, I am considering whether M acted fraudulently in taking her funds.

It's important to remember that I'm considering whether Barclays treated Miss H fairly as her bank. I can't consider the actions of M or B and whether either of those companies should reimburse Miss H.

Barclays is a signatory to the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code). Under this code, the starting principle is that a firm should reimburse a customer who is the victim of an authorised push payment (APP) scam, except in limited circumstances. But the CRM Code only applies if the definition of an authorised push payment (APP) scam, as set out in it, is met.

I have considered whether Miss H's claim falls within the scope of the CRM Code, which defines an APP scam as:

*...a transfer of funds executed across Faster Payments...where:*

- (i) *The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) *(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

It is for Miss H to demonstrate that she is the victim of an APP scam.

To decide whether Miss H is the victim of an APP scam as defined in the CRM Code I have considered:

- The purpose of the payments and whether Miss H thought this purpose was legitimate.
- The purpose the recipient (M) had in mind at the time of the payment, and whether this broadly aligned with what Miss H understood to have been the purpose of the payment.
- Whether there was a significant difference in these purposes, and if so, whether it could be said this was as a result of dishonest deception.

Miss H thought she was paying a private clinic for a procedure. I haven't seen anything to suggest that she didn't consider this to be a legitimate purpose.

I've gone on to consider the available evidence and M's purpose in taking Miss H's funds. Having done so, I'm not satisfied that Miss H has demonstrated it's more likely than not M had a different purpose in mind or that there was fraudulent intent.

I can see that M was a registered company that was incorporated in 2017 and that a voluntary liquidator was appointed in August 2023. So, at the time Miss H made her payment, M was an active company. And although Miss H didn't pay B, I note that the First Gazette notice for voluntary strike off was in August 2024, some time after Miss H made her payments. In any event, it was suspended a few days later.

Whilst Miss H says that M didn't intend to complete the surgery when it took her funds, she hasn't provided any persuasive evidence in support. I have seen confidential information that I'm unable to share for data protection reasons which shows funds being used in a manner consistent with M's nature of business.

I'm sorry Miss H hasn't received the service she paid for. But this fact alone isn't enough to bring her claim within the scope of the CRM Code. Businesses can fail for many reasons including poor management and relationship breakdowns. I haven't seen anything to persuade me that it's more likely than not Miss H's surgery didn't take place because of fraud rather than factors like these.

Finally, I've not seen any evidence from any external organisation which concludes that M intended to use Miss H's funds for a different purpose to the one agreed with her.

Having carefully considered all the evidence provided to me, I'm not persuaded there is sufficient evidence to conclude that the purpose M had in mind when it took Miss H's payments was different to hers. So, I consider Barclays acted fairly in not considering Miss H's complaint under the CRM Code.

If material new evidence comes to light at a later date Miss H can ask Barclays to reconsider her fraud claim.

I've gone on to consider whether there is any other reason I can require Barclays to reimburse Miss H. Barclays should be on the lookout for, and protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character. Where potential fraud is identified, I would expect Barclays to intervene and attempt to prevent losses for the customer.

Here, I don't think the payments were so out of character that Barclays ought reasonably to have intervened when they were made. But even if it had intervened, Barclays wouldn't have had any concerns as Miss H was paying a legitimate business.

Overall, whilst I'm sorry Miss H has paid for a service she didn't receive, I can't fairly hold Barclays responsible.

### **My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 30 December 2025.

Jay Hadfield  
**Ombudsman**