

The complaint

Mr and Mrs W complain that Handelsbanken plc won't reimburse money they say they lost to a scam.

What happened

In January 2025 Mr and Mrs W lent money to a business "C" for it to expand its operations and refurbish existing premises.

The loan agreement was for £10,000, an amount which Mr and Mrs W paid from their Handelsbanken joint account. Under the terms of the agreement Mr and Mrs W were immediately repaid 20% of that amount (£2,000). Their loss is therefore £8,000. Just a few days after Mr and Mrs W made the payment, C closed its doors and the directors disappeared.

Mr and Mrs W reported the matter to Handelsbanken, but it declined to reimburse them on the basis that it considered they were involved in a civil dispute, not an APP scam and therefore the FPS Reimbursement Rules ("the Reimbursement Rules"), which require firms to reimburse most victims of APP scams, did not apply.

Mr and Mrs W referred the matter to our service and one of our investigators upheld the complaint. They were satisfied that Mr and Mrs W had fallen victim to a scam, and that C's directors dishonestly obtained their funds. In summary they explained that:

- C's various bank accounts provide no evidence that they used the funds as promised.
- C closed abruptly following an email about further investment opportunities in January 2025.
- The owners disappeared and there is a police investigation into them.

Mr and Mrs W agreed, but Handelsbanken didn't respond. So the case was passed to me for a final 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.

APP scam payments made through Faster Payments transfers on or after 7 October 2024 may be eligible for reimbursement under the Reimbursement Rules. In this case, there's a dispute about whether Mr and Mrs W fell victim to an APP scam.

Under the Reimbursement Rules an APP scam is defined 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, I need to consider whether C never intended to use the money for its agreed purpose and instead it was obtained by deception.

Handelsbanken hasn't provided a response to the investigator's view, so I will only briefly address why I think that the evidence indicates that the directors of C set out to defraud Mr and Mrs W:

- A review of the accounts which C held shows that there's no evidence it used the funds in the way that had been promised.
- C obtained investment from a significant number of people in a short space of time before disappearing in January 2025.
- C closed its doors just five days after Mr and Mrs W made the £10,000 payment to it. Specific claims were made about the purpose of that payment (namely to carry out refurbishment of a particular site) in the days and weeks before the payment was made. An email was sent to C's customers to invite further investment for the same purpose the day before Mr and Mrs W made the payment. On balance it seems unlikely that C intended for the money to be used in the way it claimed, but decided, instead, to close the business and flee within just a few days.

I'm aware that there is a police investigation into C but I don't think that it's necessary to wait for the outcome of that investigation – I'm satisfied with the evidence I've seen that Mr and Mrs W were the victim of an APP scam.

Under the Reimbursement Rules a payment service provider (“PSP”) must reimburse eligible APP scam claims, unless it can show that one of the exceptions to reimbursement applies. These are known as the ‘Consumer Standard of Caution Exception’ (“the Exception”).

The Consumer Standard of Caution Exception

In order to rely on the Exception, a sending PSP must show that, as a result of *gross negligence*, the consumer did not comply with one or more of the standards. Only one standard is potentially relevant here:

- The consumer should have regard to any intervention made by their PSP and/or by a competent national authority (which includes, but is not limited to, any police force or service in the U.K.)

Handelsbanken hasn't provided any evidence that it intervened when Mr and Mrs W made the payment in dispute, so it can't rely on the exception above. The Reimbursement Rules allow Handelsbanken to deduct an excess of up to £100 to the amount reimbursed, except where the consumer is vulnerable. I've seen no evidence to suggest that Mr and Mrs W were vulnerable, so I think that Handelsbanken can fairly deduct the excess should it choose to do so.

My final decision

I uphold this complaint and instruct Handelsbanken Plc to reimburse Mr and Mrs W:

- £8,000, less a maximum of £100 should it choose to deduct an excess.
- 8% simple interest per year on that amount from the date it declined Mr and Mrs W's claim under the Reimbursement Rules to the date of settlement, less any tax lawfully deductible.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 10 April 2026.

Rich Drury
Ombudsman