

The complaint

Mr I complains that Barclays Bank UK PLC ('Barclays') won't refund the money he says was lost as the result of a scam.

What happened

Mr I used a company I'll refer to as F to install a bespoke kitchen and four custom wardrobes. The work was due to start in April 2025 and complete in June 2025. Mr I made six payments from his Barclays account totalling over £37,800.

Mr I says that work has been left unfinished and he has quality issues with the work that has been completed. So, he raised a fraud claim with Barclays.

Barclays declined to refund Mr I under the Faster Payment Scheme Reimbursement Rules ('FPS reimbursement rules'), saying he has a civil dispute with F.

Mr I wasn't happy with Barclays' response, so he brought a complaint to our service.

An investigator looked into his complaint and agreed that Mr I's payments aren't covered under the FPS reimbursement rules, saying he has a civil dispute with F. The investigator didn't think there was any other reason why Barclays should refund him.

Mr I disagreed with the investigator's opinion and raised the following points:

- Payments were taken after coercive conduct by F, including repeated demands for money tied to the release of goods.
- Witness statements from an employee and other customers allege the same behaviour.
- There is evidence that key goods were not ordered from suppliers.

The investigator addressed all of the points Mr I raised, explaining why they didn't change the answer on his complaint. Mr I asked for an ombudsman to review his case.

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 reviewed the evidence, I've reached the same answer as the investigator and for the same reasons. I'll explain why.

The FPS reimbursement rules came into force on 7 October 2024. For a payment to be covered it must have been made as part of an APP scam, which is defined as "*where fraudulent deception was used to obtain the funds where:*

- *the payment is not to the recipient the consumer intended to receive the payment, or*

- *the payment is for a purpose other than that intended by the consumer*’.

Here, Mr I was paying F for the installation of a kitchen and wardrobes. Based on the evidence, I’m satisfied the funds were paid to the intended recipient – F.

Mr I says the work hasn’t been completed, he hasn’t received some of the goods for the kitchen installation, and he isn’t satisfied with the quality of the work done. But this doesn’t mean that F took the funds with a different purpose in mind, or that the funds Mr I paid F weren’t used for the intended purpose – the installation of the kitchen and the wardrobes.

We’ve received evidence from the receiving bank, but I’m limited in what information I can share under data protection laws as it relates to a third party. But that evidence doesn’t support that Mr I’s funds weren’t used for the intended purpose.

The messages between Mr I and F suggest that the relationship broke down when Mr I refused to make the last payment until the work was completed and F refused to complete the work until the last payment was made. It’s possible that if Mr I had made the last payment, the work would’ve been completed and the kitchen goods supplied. But, regardless, F’s failure to complete the work and supply some of the goods, doesn’t prove they set out with no intention of doing the work agreed with Mr I.

It’s for Mr I to prove that his funds weren’t used for the intended purpose, and I’m not satisfied that he has done so. The statements from the employee and other customers of F, point to dissatisfaction and potentially poor business practices. But they don’t prove F’s intention in taking the payments from Mr I, and don’t evidence how Mr I’s funds were used.

Based on the evidence, I’m not satisfied that Mr I has shown that he meets the definition of an APP scam, so his payments aren’t covered by the FPS reimbursement rules.

I have also considered whether there is any other reason Barclays could fairly be held liable for Mr I’s loss. But, even if I was satisfied that Barclays should’ve intervened when the payments were made, I’m not satisfied this would’ve prevented Mr I’s loss. I say this because I’m not persuaded there was any evidence available at the time Mr I made his payments which would’ve concerned Barclays or meant they could, or should, have refused to follow Mr I’s payment instructions.

I’m really sorry that the work wasn’t completed and Mr I has been financially impacted. But I’m not satisfied that I can fairly hold Barclays liable for his loss or ask them to refund him.

My final decision

My final decision is that I don’t uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr I to accept or reject my decision before 17 March 2026.

Lisa Lowe
Ombudsman