

The complaint

Mrs S complains that Barclays Bank UK PLC ('Barclays') won't refund her money, which she believes she has lost to a scam.

What happened

The background to this complaint is well known to all parties, so I won't repeat it in detail here. But in summary, I understand it to be as follows.

Mrs S decided to have some work carried out on her property. A friend of Mrs S's recommended her close relative, which prompted Mrs S's contact with the builder who was trading as "V".

V attended Mrs S's property and provided documentation/a quote for the required works in November 2024. Satisfied with what she'd seen and reassured by the recommendation of her friend, Mrs S made numerous payments to V between November 2024 and May 2025 totalling £85,050.

Work started on the property in November 2024 – with some work being outsourced. Mrs S has said V was last at the property in June 2025. However, Mrs S explained she became concerned things were not right in and around January/February 2025, when V either didn't attend when expected - for reasons given such as illness, or would attend but leave early.

Mrs S added that when V outsourced work for extension footings the other builder questioned V about the quality of the works and the work being overpriced and says, V became abusive. Mrs S says the work wasn't completed and that the work carried out was of poor quality.

Believing she'd fallen victim to a scam, Mrs S raised the matter with Barclays, but it did not consider it was liable for Mrs S's loss. In summary, this was because it thought what had happened was a civil matter.

Unhappy with Barclays' response, Mrs S brought her complaint to this service. One of our Investigators looked into things. But she agreed with Barclays, that this was most likely a civil dispute, and so Mrs S was not entitled to a refund of the payments she had made.

Mrs S didn't agree with our Investigator's view, she maintained that what had happened was a scam. As agreement couldn't be reached, the complaint has been 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.

Having thought very carefully about Barclays' actions, I agree with the findings set out by our Investigator. I do appreciate how disappointing this will be for Mrs S but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold Barclays liable for her loss.

From the outset, I note Mrs S in her response to our Investigator's view has referred to another ombudsman's final decision on another case, which Mrs S feel supports why her complaint should be upheld. Whilst I appreciate Mrs S might consider the other decision to be about a similar set of circumstances – ultimately each case is considered based on the particular set of facts to that case. As such, each case is judged on its own merits.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. Instead, it's because the evidence and outcome have already been explained to Mrs S (and Barclays) by our Investigator. And having considered what our Investigator has said, whilst thinking about the available information and evidence myself, I see no reason to reach a different outcome. I'll explain why.

When considering what is fair and reasonable in this case, I've thought about the relevant rules that were in place at the time the disputed payments were made. From 7 October 2024, Payment Services Providers in the UK, like Barclays, have been bound by the Faster Payments Scheme (FPS) and the CHAPS reimbursement rules ("Reimbursement Rules"). Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but "private civil disputes" are not covered.

I've therefore considered whether what has happened between Mrs S and V meets the Reimbursement Rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The Reimbursement Rules define an APP Scam 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".

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

"2.6 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."

2.5 provides an example of when this might apply:

"...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 consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing. Having thought about this carefully, I'm not satisfied that the Reimbursement Rules cover Mrs S's payments.

There is no dispute here that Mrs S paid the person she intended on paying (V), so the first part of the APP scam definition doesn't apply here. I've therefore gone on to consider whether, as a result of dishonesty, the payments were made for a purpose other than Mrs S intended. In order to be satisfied Mrs S has fallen victim to an APP scam, I need to be persuaded V set out to defraud her.

The allegation of fraud is a serious one. While I can reach my findings on the balance of probabilities (rather than beyond all reasonable doubt for example), to find V did intend to defraud Mrs S, I'd need to see convincing evidence to show fraud is the most likely explanation over any other possibility.

Here, the purpose for the payments was to complete work at Mrs S's property. While I appreciate that Mrs S has said that not all work was completed and is dissatisfied with the quality of the works that were carried out, from what I've seen and been told it's accepted that V did attend Mrs S's property, or the individuals Mrs S has shared V outsourced the work to, and it is not in dispute that some work was carried out by V. So, while I don't doubt what Mrs S has said, in that some work hasn't been carried out, the evidence doesn't support that V deceived Mrs S about the very purpose of the payments (that being for the provision of work to her property).

Alongside this, whilst I can't go into specific details due to data protection reasons, information I've seen from the beneficiary bank (the bank to which the faster payments were made to) supports that V didn't have a different intention for the money that was received. Activity on the account demonstrates transactions that are consistent with the account being used by somebody carrying out work in the building trade. I'm also aware that there had been no other concerns raised about the activity on the beneficiary account. Typically, if somebody were running a fraud, you'd expect to see other concerns raised – but that isn't the case here.

I understand that Mrs S has reported the matter to the police, action fraud and Trading Standards. But I've not seen any evidence to suggest that any substantive lines of enquiry are being pursued against V, nor that any charges have been brought. While I'm mindful it isn't necessary for a criminal conviction to have been secured or for charges to have been brought for what happened here to meet the Reimbursement Rules definition of an APP scam - the fact that the relevant authorities appear not to be pursuing a substantive investigation into the allegations raised by Mrs S suggests to me that the evidence presented does not, on its own, currently carry sufficient weight to support a finding of fraud. I acknowledge Mrs S's shared that she did not receive all that she had paid for, but I have to keep in mind that there are many reasons, other than fraud, why a trader may fail to meet their commitments. They may act unprofessionally, may get into financial or personal difficulties and work may be completed to a poor standard. But it doesn't automatically follow that this demonstrates an intent to defraud. The evidence here lends itself more to the notion that a trader has set out with the intent to complete work but hasn't completed it or that there are quality concerns - a scenario which isn't covered by the Reimbursement Rules.

Mrs S in her submissions has provided chat messages between V and a labourer which she's highlighted show the times the trader was unwell and reasons he never came into work. Of course, the reasons V gave for not attending the property when Mrs S had expected may well have been excuses and not true, but I cannot rule out that it is at least equally as possible that these may also have been legitimate reasons for not attending.

Further, when reviewing the messages provided between V and the labourer, these suggest that work was arranged, which included pick up arrangements and where the parties would meet, and wages were paid by V to the labourer. I'm also mindful that it appears there was potentially a disagreement between the parties and a breakdown in the relationship between them. I cannot know with any real certainty as to why this may have come about - there are a number of potential reasons for a breakdown in a relationship between two parties and for a dispute to exist. And so, the chat messages in and of themselves don't evidence that V wasn't a legitimate business.

As I've touched on, I also have to keep in mind that a business may act unprofessionally but still be carrying out legitimate business, or it may get into financial or personal difficulties that mean it is unable to meet its obligations to customers. And this service isn't in a position to forensically analyse V's actions here; we must consider the evidence that is before us.

Mrs S has highlighted that V included VAT on the 'notes of costings' it provided to her in April 2025 yet says the HMRC website records that V was not VAT registered until May 2025. She says this is evidence of fraud on V's part.

Even if this was correct, I don't consider it would change the position concerning the bank's liability to refund Mrs S. That depends on whether her payments resulted from an APP scam, and as I've explained above, this requires that the very purpose of the transaction was fraudulent.

On balance, for the reasons I've shared, I'm persuaded the payments were principally made for the purpose of works to be carried out to Mrs S's property. The inclusion (or not) of a surcharge for VAT doesn't change that fundamental purpose and does not mean Mrs S's purpose was different to that of V. It follows that this point, doesn't change my conclusions.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact these matters have had on Mrs S or her family, and I don't underestimate her strength of feeling. But in the circumstances, having carefully considered everything, I don't find Barclays were wrong to decline Mrs S's claim when considering the Reimbursement Rules. And I find no other reasons upon which it would be fair to ask Barclays to refund Mrs S the money she's lost.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 15 May 2026.

Staci Rowland
Ombudsman