

The complaint

Mr and Mrs M complain that Barclays Bank UK PLC ('Barclays') won't reimburse the funds they lost when they say they fell victim to a scam.

What happened

Mr and Mrs M have a joint account with Barclays from which the payments I am being asked to consider were made.

Mr and Mrs M chose a builder to install a kitchen they bought and to complete works in their bathroom. The builder started work and then asked for a payment of £4,000, which Mr and Mrs M paid in January 2023. The builder then asked for further funds so Mr and Mrs M paid £10,000 in February 2023. After this, they say that the builder stopped attending their property.

On 11 February 2023 Mrs M raised a fraud claim with Barclays in respect of the second payment. She said she was happy with the initial work and didn't wish to raise a claim in respect of the £4,000 payment. Around a week later, Mrs M called Barclays to cancel the scam claim as the builder had returned to complete the remainder of the work. Then in June 2023 Mrs M called Barclays again and discussed issues with the workmanship, unfinished work and damage to some items. Barclays said that as Mrs M cancelled the initial claim it couldn't re-open it. But Barclays agreed to raise a claim for the £4,000 payment.

After considering the claim, Barclays said Mr and Mrs M had a civil dispute with the builder which it wasn't responsible for.

Mr and Mrs M were unhappy with Barclays' response and brought a complaint to this service.

The investigator who considered this complaint didn't recommend that it be upheld. She said Mr and Mrs M have a civil dispute with the builder.

Mr and Mrs M didn't agree with the investigator's findings and asked for a final decision. In summary, they said:

- Mrs M withdrew her fraud claim after significant pressure, and after being reassured that there would be no further problems, and said she was happy with the work to keep the builder engaged so work would be completed. But after she withdrew the claim serious issues became apparent, at which point she contacted Barclays promptly.
- Barclays should not have allowed her to withdraw her fraud claim and should have provided better support.
- She wasn't advised of other ways of recovering her funds.

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 in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where I can't know for certain what has happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words on what I think is more likely than not to have happened in the circumstances.

I am considering whether Barclays, as Mr and Mrs M's bank, treated them reasonably. I can't consider a complaint about the builder and the level of service he provided.

In broad terms, the starting position at law is that Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here, it's not in dispute that the payments were authorised, so the starting position is that Barclays isn't liable for the transactions.

But, at the time Mr and Mrs M made the payments, Barclays was a signatory of the CRM Code. The CRM Code required firms to reimburse customers who have been the victims of authorised push payment (APP) scams in all but a limited number of circumstances. But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.

I have considered whether Mr and Mrs M'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) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

The CRM Code is explicit that it doesn't apply to all push payments. It says:

"This Code does not apply to: (b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier".

To decide whether Mr and Mrs M are the victims of an APP scam as defined above I have considered:

- The purpose of the payments and whether Mr and Mrs M thought this purpose was legitimate.
- The purpose the recipient (the builder) had in mind at the time of the payments, and whether this broadly aligned with what Mr and Mrs M understood to have been the purpose of the payments.
- 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.

Here, Mr and Mrs M made the payments for works to be completed at their property. It's clear from the evidence that Mrs M has supplied, including photos and her testimony to Barclays and this service, that much of this work was completed, so I think each party had the same purpose in mind at the time the payments were made. When Mrs M first called Barclays to raise a scam claim on 11 April she was clear that she was not disputing the initial £4,000 payment that she made and that she was very satisfied with the work done prior to the additional £10,000 payment. When she called Barclays on 17 June to withdraw her scam claim she told Barclays that the builder had returned to her property, completed the job and

that she was happy with it. Mrs M also said in a message to the builder after she cancelled her first scam claim that he had completed most of the work.

I appreciate that Mrs M later noticed problems. Some items weren't completed, or were done to a poor standard, including issues with water pressure, the oven and microwave not being properly screwed in, and tiles being misaligned. I also understand that Mr and Mrs M have incurred additional costs to put things right. But all these points relate to the standard of workmanship and services not supplied, which fall within the CRM Code definition of a civil dispute.

This service has also obtained evidence from the builder's bank. For data protection reasons I'm unable to share much detail. It is clear from this evidence that other scam claims have not been raised and that activity on the builder's account was in line with the nature of business.

I've gone on to consider the service provided by Barclays. Having listened to the call between Mrs M and Barclays when she withdrew the scam claim I'm satisfied Barclays acted reasonably. Mrs M made it clear that outstanding work had been completed and that she was satisfied with it. The Barclays fraud adviser clarified with Mrs M that if she cancelled the scam claim she would not be able to re-open it and checked that Mrs M was happy to cancel it. Mrs M confirmed that she was happy to cancel, as the job had been finished. I don't think there was anything more Barclays should have done in these circumstances. In any event, as Barclays and this service have determined Mrs M has a civil dispute, the outcome wouldn't have been any different.

Mrs M has referred to the fact that Barclays didn't advise her of other methods of trying to recover her funds. If Mrs M had paid the builder by card there are additional protections that would have applied. But these protections don't apply to faster payments so weren't relevant to Mrs M's circumstances.

Overall, whilst I'm sorry to hear Mr and Mrs M haven't been treated well by their builder, I can't fairly require Barclays to reimburse them.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 30 April 2026.

Jay Hadfield
Ombudsman