

## **The complaint**

Mr F complains that National Westminster Bank Plc (NatWest) won't refund the money he lost when he fell victim to a scam.

## **What happened**

Mr F was looking into cryptocurrency when he was contacted via social media about an investment opportunity. Unfortunately, the person who contacted him appears to have been a scammer.

Mr F was persuaded to send funds from his NatWest account to purchase cryptocurrency – which he then sent on to the scammer, thinking his funds were being invested. This took place from early November 2020 to late July 2021.

When Mr F ran into difficulties trying to withdraw from the alleged trading platform, he realised it was a scam. He reported this to NatWest in 2022, including raising a complaint when it wouldn't agree to refund him. It paid Mr F £40 compensation for some service issues when he reported the scam – but maintained it wasn't liable for his loss.

Unhappy with NatWest's response, Mr F referred the matter to our service. Our investigator looked into things and decided not to uphold the complaint. She didn't think the payments ought to have been flagged as suspicious, so didn't think NatWest had missed an opportunity to prevent the scam.

As Mr F has appealed the investigator's outcome, I'm making the final decision on how his complaint should be resolved. He says the velocity of the payments was unusual, and they fell outside his risk appetite, so NatWest should have contacted him to ask what he was doing. And if it had, his responses would have made it clear he was being scammed – preventing his loss. He has also explained he was going through a difficult time which left him more susceptible to the scam.

## **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 done so, I've decided not to uphold it. I'll explain why.

In line with the Payment Services Regulations 2017, NatWest is expected to execute authorised payment instructions without undue delay. It doesn't appear to be in dispute that Mr F was scammed. But nor is it in dispute that he authorised the payments. So the starting position is that he is liable for them.

However, there are circumstances when it might be appropriate for NatWest to look into the wider circumstances surrounding a transaction – due to it presenting an identifiable fraud risk. Such as when the payment is significantly unusual or uncharacteristic compared to the normal use of the account.

I've considered whether NatWest should have taken further steps when processing these scam payments. It has told us its records don't capture whether any were identified as suspicious. Having carefully considered Mr F's account activity, I'm not persuaded NatWest is at fault for (likely) processing the payments in line with Mr F's authorised instructions without completing further checks.

As our investigator has pointed out, the payment amounts were generally for fairly low amounts – and were in keeping with other genuine payments Mr F was making. The highest individual payment was under £2,000, which didn't look particularly unusual for Mr F given his account activity by that point.

Mr F says he hadn't made any cryptocurrency payments before the scam, so the payments should have flagged as being outside his risk appetite. But as our investigator has pointed out, he had made other trading and gambling transactions, including some for similar amounts. So I'm not persuaded the payment destinations looked significantly uncharacteristic.

As our investigator has explained, the fact the payments went to cryptocurrency merchants didn't mean they were necessarily part of a scam. Customers can, and do, make payments to legitimate cryptocurrency merchants without that being part of a wider scam. The fraudulent loss was only incurred when Mr F moved the funds on from the platforms they were sent to from NatWest. And as he continued to make these payments over an extended period, they came to form part of the expected pattern of account activity.

I have considered Mr F's argument that the velocity of the payments ought to have prompted concern. But I agree with the investigator that, overall, the level of transactions didn't look particularly suspicious – bearing in mind the amount they came to overall. The highest turnover/amount he sent was three £1,000 payments in one day. They were going to a merchant he had previously paid. And I don't think the overall amount appeared to be a significant enough departure from previous payments to warrant additional checks.

I'm very sorry to hear about the difficult circumstances Mr F was in at the time of this scam. I can't see this was something NatWest was on notice of, so it doesn't affect the level of service I would expect it to provide. Overall, for the reasons I have given, I'm not persuaded NatWest ought to have identified these payments as presenting a fraud risk. I therefore don't consider it fair to hold it liable for the fraudulent losses incurred – as I don't think they are attributable to any failings by NatWest.

Mr F is unhappy with the service NatWest provided when he reported the scam in 2022. I appreciate that added to his frustrations. But I can't see it had a material impact on his loss. The funds were sent to genuine cryptocurrency merchants, who loaded the funds to Mr F's accounts, exchanged them into cryptocurrency, and sent them on to the scammers – as requested by Mr F. As the funds were moved on, and the merchants paid directly provided the service Mr F was expecting, it wouldn't have been able to successfully recall or charge back the payments.

While I don't think any service issues when Mr F reported the scam affected his loss, I appreciate it added to his frustrations. I agree with our investigator that the £40 compensation NatWest has already paid fairly reflects any unnecessary upset this caused. So I don't think NatWest needs to take further action to put things right.

**My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 19 December 2023.

Rachel Loughlin  
**Ombudsman**