

The complaint

Miss G complains that National Westminster Bank Plc (NatWest) is refusing to refund her the amount she lost as the result of a scam.

Miss G has previously been represented by a third party. To keep things simple, I will refer to Miss G throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Miss G received communication from her neighbour Via Instagram. He explained he had started making money in investments and had bought a new car, he wanted to make Miss G aware of the opportunity.

Miss G was looking to buy a new car for her son but had limited funds so took an immediate interest in the investment. Miss G asked for details of the investment and was put in touch with the scammer (X).

X explained the investment opportunity and that X would coach Miss G on how to make investments. Miss G was required to open a Bitcoin wallet with Ramp and an account with edigitalfxtrade.com. She then made an initial payment in relation to the investment of £1,000. The payment went from Miss G's NatWest account to her account with Ramp, and then on to edigitalfxtrade.com where she was able to see the balance of her account increase substantially in just 12 hours.

Miss G attempted to make a withdrawal and X helped her through the process. However, Miss G was required to upgrade her account before she could make any withdrawal, and this came with a further fee. Miss G asked her neighbour about the upgrade, and he confirmed he had followed the same process. As Miss G didn't have the additional funds right away, she waited until the following month before making the payment.

When Miss G made the additional payment X immediately asked for a further £4,000 in relation to fees. Miss G attempted to contact her neighbour through Instagram, but the account had been closed and it was clear that Miss G had been scammed.

Miss G made the following payments in relation to the scam:

Date	Payee	Payment Method	Amount
23 October 2022	3788 23oct22 , amp (Saavj, 9f33e774c	Debit Card	£1,000.00
27 November 2022	'3788 27nov22 , Ramp.network, London	Debit Card	£2,850.00

Our Investigator considered Miss G's complaint and didn't think it should be upheld. Miss G didn't agree, so this complaint has been passed to me to decide.

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.

It has not been disputed that Miss G has fallen victim to a cruel scam. The evidence provided by both Miss G and NatWest sets out what happened. What is in dispute is whether NatWest should refund the money Miss G lost due to the scam.

Recovering the payments Miss G made

Miss G made payments into the scam via her debit card. When payments are made by card the only recovery option NatWest has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Miss G was dealing with X, which was the business that instigated the scam. But Miss G didn't make the debit card payments to X directly, she paid a separate cryptocurrency exchange (Ramp). This is important because NatWest would only have been able to process chargeback claims against the merchant she paid (Ramp), not another party (such as X).

The service provided by Ramp would have been to convert or facilitate conversion of Miss G's payments into cryptocurrency. Therefore, Ramp provided the service that was requested; that being the purchase of the cryptocurrency.

The fact that the cryptocurrency was later transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchant Miss G paid.

Should NatWest have reasonably prevented the payments Miss G made?

It has been accepted that Miss G authorised the payments that were made from her account with NatWest, albeit on X's instruction. So, the starting point here is that Miss G is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether NatWest should have been aware of the scam and stepped into question Miss G about the payments she was making. And if it had questioned Miss G, would it have been able to prevent the scam taking place.

The payments Miss G made in relation to the scam were not of significant value, or out of keeping with the size of payments usually made from her account. In addition to this they were made to a legitimate business. It would not be reasonable for me to say NatWest should intervene every time one of its customers makes a new payment to a legitimate

business, especially when the payment value is not significant.

With the above in mind, I don't think it was unreasonable that the payments Miss G made in relation to the scam did not trigger NatWest's fraud prevention systems and it didn't step into question Miss G about the payments before they were processed. So, NatWest is not responsible for Miss G's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 2 April 2024.

Terry Woodham
Ombudsman