

## The complaint

Mr B complains that National Westminster Bank Plc (NatWest) is refusing to refund him the amount he lost as the result of a scam and the service he that followed from NatWest.

## What happened

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

In summary, Mr B tells us he was groomed and tricked into sending six payments totalling £4,144.60 on the belief he was securing modelling work. Mr B tells us that the scammers coerced him into calling NatWest to authorise the payments, but that NatWest did not do enough to unravel and prevent the scam that was taking place.

Mr B says that after he reported the scam to NatWest it caused delays that potentially prevented him from recovering his lost funds. Mr B further says that NatWest did not consider his disabilities that he had made it aware of.

In response to Mr B's claim NatWest has refunded 50% of the total payments he made in relation to the scam and provided a further £250 compensation. Mr B has not accepted NatWest's offer.

Below is a list of the payments Mr B made in relation to the scam from his NatWest account:

Date	Payee	Payment Method	Amount
13 March 2023	Mercuryo	Debit Card	£37.87
13 March 2023	Mercuryo	Debit Card	£944
13 March 2023	Mercuryo	Debit Card	£330.39
14 March 2023	Mercuryo	Debit Card	£944
14 March 2023	Mercuryo	Debit Card	£944
14 March 2023	Mercuryo	Debit Card	£944

Our Investigator considered Mr B's complaint but didn't think it would be reasonable to ask NatWest to do more than it already had, and so didn't think the complaint should be upheld. Mr B disagreed, 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 Mr B has fallen victim to a cruel scam. The evidence provided by both Mr B and NatWest sets out what happened. What is in dispute is whether NatWest should refund the money Mr B lost due to the scam.

*Recovering the payments Mr B made*

Payments were made into the scam via Mr B's 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.

Mr B was dealing with the scammer, which was the business that instigated the scam. But Mr B didn't make the debit card payments to the scammer directly, he paid a separate cryptocurrency exchange (Mercuryo). This is important because NatWest was only able to process chargeback claims against the merchant he paid (Mercuryo), not another party.

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

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

*Should NatWest have reasonably prevented the payments Mr B made?*

I think it's most likely that Mr B authorised the payments that were made from his account with NatWest, albeit on the scammer's instruction. So, the starting point here is that Mr B 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 Mr B about the payments he was making. And if it had questioned Mr B, would it have been able to prevent the scam taking place.

While the payments Mr B made in relation to the scam would not be considered high value, calls did take place between Mr B and NatWest when he attempted some of the payments. I have listened to these calls.

During the first call on 13 March 2023, it was confirmed that Mr B had attempted to make payments online to Mercuryo that had been declined. NatWest advised that the payments were "matching with some fraud and were on trend" and as such asked Mr B to confirm what the payments were for.

Mr B confirmed the payments were for "personal use". Mr B also confirmed he had not received any pressure, or been forced to complete the payments, and that the payments were for himself.

NatWest confirmed that if the payments were in relation to a scam, it would be difficult to recover them.

During a call on 14 March 2023 NatWest confirmed payments Mr B had been attempting were considered high risk. Mr B again confirmed the payment was being made by him for

“personal use”. NatWest confirms again that if the payment turns out to be in relation to a scam it would be difficult to recover the funds.

I think the interventions carried out by NatWest were proportionate to the payments Mr B made and it appears Mr B did not give honest answers when questioned by NatWest.

When Mr B reported the scam to NatWest, he explained that the scammer had tricked him into saying the payments were for personal use and that it was the scammer making the payments, not himself, by gaining access to his device. This information clearly contradicts the information Mr B provided when NatWest spoke to him when making the payments.

Mr B tells us NatWest was aware of his disabilities and it should have probed more during the calls when he made the payments. But even if NatWest was aware, I think it's clear Mr B was willing to give incorrect information to NatWest when it asked him about the payments he was making.

Even though I accept Mr B was likely under pressure to make the payments I haven't seen enough to say Mr B's disabilities caused him to be dishonest when questioned by NatWest. So, even if NatWest was to ask more questions, which I don't think it needed to, I don't think NatWest would have been able to uncover the scam.

With the above in mind NatWest did not miss an opportunity to prevent the scam and it is therefore not responsible for Mr B's loss. So, I would not be able to ask NatWest to refund any of the payments Mr B made in relation to scam.

Mr B says that NatWest delayed sending him important information that could have helped recover his payments if provided to Mercuryo. I accept there was a delay in NatWest providing this information, but Mercuryo is a legitimate business that was used to pay into the scam. In my experience these payments are usually taken and transferred immediately to the scammer. So, I think it's very unlikely any recovery attempt would have been successful.

In addition to the points covered above Mr B has complained about delays NatWest caused, the overall service he received during calls and messages, and that NatWest has not been able to provide evidence of these interactions, and other evidence that Mr B feels strengthens his case against it.

But even if I accept everything Mr B has told us happened, which I have no reason to doubt. NatWest has already refunded 50% of Mr B's loss and awarded him a further £250 compensation. This is far more than what I would be able to ask it to do in the circumstances of Mr B's complaint and it would not be reasonable for me to ask NatWest to do anything further.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 June 2024.

Terry Woodham  
**Ombudsman**