

## **The complaint**

Mr B complains that National Westminster Bank Plc ('NatWest') won't refund the money he transferred when he was threatened.

## **What happened**

Mr B says that as he walked to work one evening, he was approached by two men while he was checking his banking app. The two men engaged Mr B in conversation and tried to sell him a phone, but Mr B wasn't interested. Mr B says he then felt threatened and feared for his safety, so he transferred £400 for the phone. Once he'd made the payment, the men disappeared without handing over the phone.

Mr B tried to report the matter to NatWest that night but was unable to, so he called again in the morning. NatWest initially incorrectly told Mr B to wait for 48 hours. Later, NatWest advised Mr B he should take matters up with the police and said it was unable to raise a scam claim. NatWest recognised the service it had provided fell short of expectations as it had misadvised Mr B and paid him £100 compensation.

Mr B was unhappy with NatWest's response and brought a complaint to this service.

### *Our investigation so far*

The investigator who considered this complaint didn't recommend that it be upheld. He said Mr B wasn't a victim of a scam as defined in the Lending Standards Board Contingent Reimbursement Model Code (CRM Code) because Mr B made the payment because he was threatened and not because he thought he was paying a legitimate supplier of goods. Overall, the investigator considered it to be a criminal matter that NatWest couldn't get involved in. The investigator also thought that the transaction wasn't unusual or out of character, so NatWest had no reason to suspect anything was wrong. Finally, the investigator said that the amount NatWest paid in compensation was fair.

Mr B didn't agree with the investigator's findings and asked for a final decision, so his complaint has been passed to me. He says NatWest has the information needed to contact the recipient's bank so that the account can be closed or the criminal caught.

## **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, 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 have been good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. In this case, although I appreciate Mr B says he made the payment under duress, I'm satisfied that the transaction was authorised.

I have considered whether Mr B's complaint falls within the scope of the CRM Code, which provides for scam victims to be reimbursed in certain circumstances. The CRM Code applies to authorised push payment (APP) scams which are defined as:

*"APP Scam*

- (a) Authorised Push Payment scam, that is, 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."*

In this case the first limb of the definition isn't relevant as Mr B wasn't deceived into transferring funds to the wrong person. The second limb refers to transferring funds for what someone believes to be a legitimate purpose but turned out not to be. Mr B didn't transfer funds for what he believed was a legitimate purpose, he transferred £400 because he says he was being threatened and feared for his safety. From what he says, he expected to receive a phone and didn't, but in any event, I don't think Mr B believed the transfer was for legitimate purposes. I say this because I don't consider it to be likely that two men who approached Mr B on the street and threatened him would be selling a phone legitimately.

It seems to me that Mr B was the victim of a crime, but I can only consider NatWest's liability to him. NatWest isn't responsible for investigating the crime or reimbursing Mr B for it but if the police ask NatWest for information, I'd expect it to cooperate.

Like the investigator, I'm not satisfied the transaction was so unusual and out of character that NatWest ought reasonably to have intervened before processing it. The transaction was for a relatively small amount and there were no concerning features about it.

NatWest provided some incorrect information to Mr B and caused him some additional stress at an already difficult time. The bank recognised its errors and paid Mr B £100 compensation. I'm satisfied it acted reasonably in doing so.

I'm sorry to disappoint Mr B but I can't reasonably ask NatWest to reimburse his loss.

### **My final decision**

For the reasons set out above, I do not 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 12 March 2024.

Jay Hadfield  
**Ombudsman**