

## **The complaint**

Mr W complains National Westminster Bank Plc (NatWest) won't refund the money he paid to invest in a company which he now thinks was operating a scam.

## **What happened**

In early 2018, Mr W made a payment of £50,000 (for which he was charged a £23 fee) to invest in a company, "R", which said it was involved in the production of renewable energy. He never received any returns from R, and it went into administration in 2022.

In 2024, Mr W complained (via a representative) to NatWest that R had scammed him. NatWest said the matter was a civil dispute rather than a scam, and it wasn't responsible for his loss. Mr W referred the matter to our service. He thinks R didn't use the funds in the way he was led to believe.

Our investigator didn't uphold the complaint. He wasn't persuaded R was operating a scam – nor that, if it was, NatWest would have been able to uncover this at the time of the payment. Mr W has asked for the complaint to be reviewed by an ombudsman.

## **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.

Although Mr W says he was tricked about how the funds would be used, it's agreed he authorised the payment to R. Under the relevant regulations (the Payment Services Regulations 2017), that means he is presumed liable for the loss in the first instance.

That said, we do expect payment service providers such as NatWest to take measures to help protect customers against the risk of fraud. If it should have been concerned about the payment being linked to fraud, and to have taken action which would have prevented Mr W from incurring a fraudulent loss, it might be fair to expect it to reimburse him.

NatWest says that wouldn't be fair here because it's not clear the funds were lost to a scam. Having considered all the information submitted, I agree. While I appreciate Mr W hasn't received any returns from R, that doesn't show its intention from the outset was to defraud him. As a company that has gone into liquidation, it seems plausible R was a genuine, but unsuccessful, business venture.

The investigator considered a news article Mr W's representative provided about a renewable energy company lending funds on to another company. It's unclear to me how or whether that article relates to R. Even if it does, neither this, nor the remaining information submitted, contains persuasive evidence that R set out to obtain funds under false and fraudulent pretences with no intention of operating legitimately. Again, the fact R didn't fulfil what it aimed to achieve doesn't mean it was operating fraudulently.

I don't think I need any further details about this issue to reach a fair outcome. Even if R obtained this payment under fraudulent pretences, I agree with the investigator that it still wouldn't be fair to hold NatWest liable for Mr W's loss.

At the time of the payment, R was properly registered – as you would expect of a genuine company. It had provided Mr W with professional-looking documentation about the investment. That included disclosing clearly that it wasn't regulated by the Financial Conduct Authority. And I haven't found any public information from the time which cast doubt on R's legitimacy.

Given this, it seems unlikely that intervention from NatWest to find out more about what Mr W was doing would have raised concerns about fraud. I therefore don't think it's likely that any further checks would have caused him not to proceed. Nor do I think NatWest ought to have fairly and reasonably refused the payment instruction.

I don't think NatWest could have successfully recalled the payment when Mr W raised his dispute, as that was around six years after the payment was made. It also wouldn't have grounds to attempt this if the payment wasn't lost to a scam.

I do appreciate Mr W has lost a significant amount due to the payment he sent to R. However, having carefully considered all the circumstances, I don't think NatWest made any errors which caused or contributed to his loss. I therefore don't think it would be fair to direct it to refund him.

### **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 W to accept or reject my decision before 28 February 2025.

Rachel Loughlin  
**Ombudsman**