

The complaint

Mrs H complains that National Westminster Bank Plc won't refund money she says she lost to an investment scam. She's also unhappy with the service she received.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I'll focus on giving the reasons for my decision.

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 agree with the conclusions reached by the investigator for the following reasons:

- It isn't in dispute that Mrs H authorised payments totalling £4,650 from her NatWest account on 28 and 29 September 2023. These payments were made to a legitimate cryptocurrency exchange ('T') to fund what Mrs H believed was a 'short term investment' opportunity. As the payments were requested by her using her legitimate security credentials, the starting point is that Banks and Payment Service Providers (PSPs) ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- Banks and other PSPs do have a duty to protect customers against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering. But when simply executing authorised payments, they do not have to protect customers against the risk of bad bargains or give investment advice – and the Financial Conduct Authority ("FCA") has confirmed that a fraud warning would not constitute unauthorised investment advice.
- But not every complaint referred to us about payments to cryptocurrency exchanges are made as the result of a scam. Some cases simply involve high-risk investments that resulted in disappointing returns or losses. And some cases just involve the purchase of cryptocurrency.
- When considering this for Mrs H's case, I've paid particular attention to Mrs H's testimony and her supporting evidence of the scam. Mrs H explains she was contacted by the scammer on social media but she cannot provide any evidence of this contact as she says her accounts were hacked and the evidence was destroyed. Mrs H also explains she has no access to her T wallet nor does she have any other evidence to support her claim – other than a screenshot of a social media post she said was sent to her.
- Although Mrs H made payments to T, this by itself is not evidence of a scam. And in my judgement, Mrs H has not provided enough compelling evidence to demonstrate that she was most likely scammed. I appreciate Mrs H says her social media accounts were hacked and her data was lost but I do find it unusual that she has no

written evidence of what it was she was getting involved with, particularly as she says she initially believed the messages from the scammer were fake. All I can be satisfied of is that she sent money to a legitimate merchant – which by itself, is not a scam. Therefore, NatWest were not obliged to intervene on the basis that it should have reasonably suspected that Mrs H was falling victim to a scam.

- As explained previously, PSPs like NatWest have expectations to help identify risks of fraud and scams; it is not to give investment advice or protect consumers from bad bargains. Ultimately, Mrs H paid a legitimate merchant. To that end, I cannot safely conclude that NatWest acted unfairly or unreasonably by not intervening to ask questions about the transactions before letting them go as I am not satisfied they were made as the result of a scam.
- There's no dispute that NatWest provided Mrs H with poor service when she reported her claim. It failed to raise a scam claim more than once; it promised Mrs H a refund of her disputed transactions when it shouldn't have and she was passed to many different departments which resulted in a poor customer journey. NatWest paid Mrs H £150 compensation for the distress and inconvenience it caused her but I agree with our Investigator that this wasn't enough. I think an increase in the award by an additional £100 (making the total award £250) is fair and reasonable. Mrs H was clearly distressed by her dealings with NatWest and I think the false promises and failure to follow its own processes would have caused her avoidable distress and inconvenience.

My final decision

My final decision is, I uphold this complaint in part. National Westminster Bank Plc should:

- Pay Mrs H an additional £100 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 9 July 2024.

Dolores Njemanze
Ombudsman