

## **The complaint**

Mr and Mrs W, via a representative, have complained that National Westminster Bank Plc ("NatWest") failed to refund the money they lost as part of an investment scam.

As Mrs W was primarily the one that dealt with the scammer I will refer mainly to her throughout this decision.

## **What happened**

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

In summary though, Mrs W says that she was looking to make an investment in order to get a better return on her savings. She came across a company that purported to be a crypto investment firm that I will call B.

Mrs W then made 3 transactions totalling over £22,000 to a crypto exchange and an account she held with a different provider in October 2021. I will call this other provider D. In both instances these funds were then sent to B via a crypto exchange.

After some time, Mrs W realised she had been scammed. Mrs W asked NatWest to refund these payments, as she believes NatWest should have done more to prevent her from being scammed in the first place. NatWest did not agree with this.

One of our investigators looked into this matter and he thought that, given the answers Mrs W gave during calls with NatWest and during calls with a different current account provider - that I will call C - any intervention from NatWest would not have stopped the scam. He therefore did not uphold this complaint.

Mrs W did not agree with this and therefore her complaint has been passed to me to issue a 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 W authorised the disputed payments she made from her NatWest account. The payments were requested by her using her legitimate security credentials provided by NatWest, and the starting position is that NatWest ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I've considered whether NatWest should have done more to prevent Mrs W from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

During the various transactions, NatWest did intervene a number of times. I have listened to these calls. It is clear from the tone of Mrs W's conversations with NatWest that she was intent on making the payments and she completely believed what she was doing was legitimate.

It is also clear that Mrs W was intentionally providing answers that were misleading. I am not sure if this was at the prompting of the scammer, as I have been provided with very limited correspondence between her and the scammer, despite the scam going on for over a year. The other alternative is that Mrs W was worried that if she gave the correct answers to the questions being asked, the payments would be blocked. Either way, the answers that Mrs W gave essentially stopped NatWest from giving an appropriate warning or uncovering the scam.

For example, when sending the funds to the crypto exchange, when questioned by NatWest Mrs W said that this was entirely her own choice. There was no third party involved and she was investing after doing her own research. She further implied that she was only putting money in the crypto exchange, rather than sending it on anywhere else. And Mrs W gave the impression that she had researched that particular crypto exchange and had concluded that it was safe.

I think further questions should have been asked during these calls. But I don't think that further probing questions from NatWest would have stopped the scam. I say this because Mrs W was clearly intent on not providing the true circumstances surrounding the payments when NatWest asked her.

Once she was unable to continue to send payments to the crypto exchange, Mrs W started sending funds to D. When she was questioned by NatWest why she was making these payments, she again does not say that it was part of an investment. Instead, Mrs W said that she likes to have funds in different places and that nobody had asked her to make the payments. I can also see in calls with C she again did not say the real reason that she was making the payments to D either.

So, had NatWest intervened more than it did and asked more probing questions, I think it likely Mrs W would have given answers designed to allay the suspicions of NatWest. Also, I think that had NatWest stopped the payments completely, she likely would have sent payments via other means – given how under the spell of the scammers she was. This is demonstrated to me, by Mrs W sending funds to D after she ran into difficulties sending funds to the crypto exchanges directly from NatWest.

Taking everything into consideration, I think that NatWest should have asked more questions than it did, but even if it had intervened further, I don't think the scam would have been stopped.

I've also thought about whether NatWest could have done more to recover the funds after Mrs W reported the fraud.

NatWest are under no obligation to refund the money under the Contingent Reimbursement Model (CRM) Code. This is because the Code does not apply to transfers which the payer has effectively made to themselves.

I appreciate this will likely come as a disappointment to Mr and Mrs W, and I'm sorry to hear they have been the victim of a cruel scam. However, I'm not persuaded that NatWest can fairly or reasonably be held liable for their loss in these circumstances.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 3 January 2025.

Charlie Newton  
**Ombudsman**