

The complaint

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

Mr H is being represented by a third party. To keep things simple, I will refer to Mr H throughout my decision.

What happened

Mr H has explained that he was introduced to an investment opportunity by an ex-partner of his with a business I will call X. Mr H's ex-partner and friends appeared to be making a profit from the investment.

The investment included buying cryptocurrency and transferring it via a crypto wallet into an application so that it could be invested. Mr H was able to see convincing literature about X and the process was explained in detail. Mr H was also added to a group WhatsApp chat where individuals were encouraged to share their successes.

Mr H started making payments into the investment and could see he was making a profit. Mr H says he set himself a date of when he would withdraw from the investment and continued to make payments into it, but the website and app linked to the investment went down before he had the opportunity to withdraw.

Mr H made the following payments in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	1 October 2023	Payward Ltd	Transfer (DPC)	£100
2	1 October 2023	Payward Ltd	Transfer (DPC)	£150
3	2 October 2023	Payward Ltd	Transfer (DPC)	£160
4	2 October 2023	Payward Ltd	Transfer (DPC)	£420
5	3 October 2023	Payward Ltd	Transfer (DPC)	£50
6	3 October 2023	Payward Ltd	Transfer (DPC)	£50
7	4 October 2023	Payward Ltd	Transfer (DPC)	£50
8	11 October 2023	Payward Ltd	Transfer (DPC)	£50
9	17 October 2023	Payward Ltd	Transfer (DPC)	£100
10	27 October 2023	Payward Ltd	Transfer (DPC)	£300
11	28 October 2023	Payward Ltd	Transfer (DPC)	£100
12	31 October 2023	Payward Ltd	Transfer (DPC)	£50
13	31 October 2023	Payward Ltd	Transfer (DPC)	£50
14	31 October 2023	Payward Ltd	Transfer (DPC)	£50
15	1 November 2023	Payward Ltd	Transfer (DPC)	£107
16	11 November 2023	Payward Ltd	Transfer (DPC)	£100
17	20 November 2023	Payward Ltd	Transfer (DPC)	£520
18	20 November 2023	Payward Ltd	Transfer (DPC)	£105
19	20 November 2023	Payward Ltd	Transfer (DPC)	£515
20	22 November 2023	Payward Ltd	Transfer (DPC)	£1,000

Our Investigator considered Mr H's complaint and didn't think it should be upheld. Mr H 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 H has fallen victim to a cruel scam. The evidence provided by both Mr H and NatWest sets out what happened. What is in dispute is whether NatWest should refund the money Mr H lost due to the scam.

Recovering the payments Mr H made

Mr H made payments into the scam via transfer. When payments are made by this method NatWest has limited options available to it to seek recovery. NatWest could ask the operator of the receiving account to refund any funds that remain in that account. But in these circumstances Mr H was making payments to an account in his own name so any funds that did remain would remain within his control.

With the above in mind, I am satisfied that NatWest didn't have any reasonable recovery options available to it for the payments Mr H made in relation to the scam.

Should NatWest have reasonably prevented the payments Mr H made?

It has been accepted that Mr H authorised the payments that were made from his account with NatWest. So, the starting point here is that Mr H 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 intervened when Mr H made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mr H made into the scam were being made to a cryptocurrency exchange, although they were not individually of a significant value, and they were spread out over a period of more than seven weeks, so I don't think they would have appeared to carry a significant risk. Having considered the payments that were made I don't think it was unreasonable that none of the payments triggered NatWest's fraud prevention systems and that it did not intervene.

As I don't think it was unreasonable that NatWest didn't intervene when the payments were made NatWest is not responsible for Mr H's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 December 2024.

Terry Woodham
Ombudsman