

The complaint

Mr M complains that National Westminster Bank Public Limited Company (“NatWest”) won’t refund the money he lost when he was the victim of blackmail.

Mr M brings his complaint with the assistance of a family member. For ease of reading within this final decision, in the main I will refer to Mr M.

What happened

The background to this complaint is well known to both parties. So, I won’t repeat everything in detail here, but in summary I understand it to be as follows.

In May 2024, Mr M met an individual through a well-known social media platform and after speaking to them for a while he’s said he exchanged private photographs with them. Mr M subsequently received a phone call from a man telling him that, unless he sent money, the photographs would be shared more widely with people Mr M knew. As well as this, the caller told Mr M that they had private photographs for one of Mr M’s close family members, which would also be shared.

Worried that the threats were genuine, on 5 May 2024, Mr M made a number of payments, totalling over £2,500, from his NatWest account, by way of faster payments and card payments.

After talking about what happened with a family member, the matter was raised with NatWest, but it didn’t agree to refund him the money he had lost. Unhappy with this response, Mr M brought his complaint to this service. One of our Investigators looked into things, but didn’t think the complaint should be upheld. In summary, he said Mr M had authorised the payments and alongside this, even if the bank intervened on the transactions, given the circumstances, it’s likely Mr M would have still authorised the payments.

Mr M didn’t agree with our Investigator’s view. As agreement couldn’t be reached, the complaint has been passed to me for a final 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.

I’m mindful that, in the submissions to this service, Mr M’s representative has mentioned actions that other banking providers take to protect their customers, and that if NatWest had done the same Mr M may not have lost this money. However, it’s important to note that bank’s fraud detection systems do differ and I am not able to compare the actions of different banks here. I say that as the reasons why a bank’s systems trigger will depend on the specific underlying circumstances surrounding a particular payment. And those circumstances are likely to be different for each payment even if, on the face of it, they appear to be very similar.

I'm sorry to hear of the awful events that happened to Mr M and I can understand entirely why he feels so strongly that his money should be refunded. I can see that this has been a very difficult time for him. But having thought very carefully about NatWest's actions, I don't uphold Mr M's complaint. I do appreciate how disappointing this will be for him, and I don't underestimate his strength of feeling, but I don't think I can fairly say NatWest should reimburse him. I'll explain why.

In deciding what's fair and reasonable in all the circumstances of a complaint, 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 banks are expected to process payments and withdrawals that a customer authorises it to make. Mr M accepts he made the payments here. So, while I recognise he only did so as a result of the threats made toward him, he did authorise the payments. And so, he isn't automatically entitled to a refund.

NatWest has agreed to following the principles of the Lending Standards Board's Contingent Reimbursement Model (CRM code). This requires firms to reimburse customers who have been the victim of certain types of scams, in all but a limited number of circumstances. But customers are only covered by the code where they have been the victim of a scam – as defined in the code.

The CRM code defines a scam as where a customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person. Or where the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent. I haven't seen sufficient evidence to persuade me that what has happened here was a scam.

Here, the evidence supports that Mr M made the payments to the people he thought he was transferring the money to. And the payments were made for the purpose Mr M thought he was making them for – in response to the blackmail. So, Mr M wasn't deceived about either who he was paying or the purpose of the payments. And so, the circumstances here don't meet the definition of a scam according to the CRM code, and so I don't think it applies. I recognise that my conclusion on this point might seem harsh to Mr M. However, I have to apply the terms of the CRM code as they're written and can't broaden their application even when I feel sympathetic towards the circumstances of the customer.

However, the regulatory landscape and good industry practice also sets out requirements for banks to monitor accounts and have systems in place to look out for unusual transactions which might indicate its customers are at risk of financial harm. And it ought to take additional steps or carry out additional checks before processing payments in some circumstances to help protect customers from the possibility of financial harm.

In this case, I need to decide whether NatWest acted fairly and reasonably in its dealings with Mr M when it processed the payments, or whether it should have done more than it did. Mr M argues that NatWest should have had stricter checks in place and the payments shouldn't have been allowed to go through undetected.

I've first thought about whether the payments Mr M made were out of character and unusual enough so that NatWest ought to have challenged them. In doing so, I'm mindful that banks, such as NatWest, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment(s) against not holding up or delaying its customer's requests.

I am not entirely convinced that the succession of payments Mr M complains about exhibited particularly concerning or irregular account behaviour – such that I would reasonably have expected NatWest to be concerned that he may have been at risk of financial harm.

While I understand the amounts paid were of substantial value to Mr M, they weren't of such high value that they stood out from payments that banks would typically see on a customer's account on a regular basis. I'm also mindful that, from looking at the activity on Mr M's account in the months leading up to the scam, I can see that he has made payments for not dissimilar amounts and has made multiple transactions on the account in the same day. But here it is finely balanced, as there are payments made in quick succession, to multiple new payees, which can be indicative of fraud.

However, and importantly, I think it is worth noting that in the individual circumstances of this case, even if NatWest had recognised that Mr M was at a heightened risk of financial harm from fraud, as a result of some of the payments he made, I don't think the action I would have expected it to take would have prevented his loss.

I say that as a proportionate test in such circumstances would have been for NatWest to carry out some sort of intervention to establish the circumstances surrounding the payments, and to then provide a tailored warning based on any apparent risk that may present itself. I've thought about what would have happened if NatWest had intervened and in doing so, I'm required to base my findings on the balance of probabilities; that is, whether a particular possible outcome of that intervention was more likely than not.

With this in mind, I've carefully considered all of the available evidence, paying particular attention to what we know about Mr M's state of affairs. It is difficult to say that this type of intervention would have made a difference. Mr M knew he was being blackmailed and, if NatWest had questioned him about the payments, I don't think it's more likely than not he would have been open with NatWest about the true purpose of the payments – it is unlikely he would have told his bank he was sending the payments due to blackmail. So, there is enough doubt in my mind that Mr M would not have been open and honest with NatWest about the true purpose for the payments – especially as I've no doubt he was in fear of the awful threats that had been made, being followed up on.

So even if NatWest had intervened, I think it's more likely than not Mr M would not have given it accurate or complete information about the purpose or circumstances surrounding them, in an effort to get the payments made. And so, I don't think any warning or guidance I would have expected NatWest to then give him following its checks would have impacted his decision to continue making the payments. Sadly, in the circumstances of this case, as a result of the duress he was put under, I think it more likely than not that Mr M would have been determined to make the payments.

We also expect banks to take reasonable steps to recover any money its customers have lost. It is typical for fraudsters to move money on, straight after it has been received, seemingly to avoid this type of recovery attempt. While I am unable to go into detail about what they show, I've reviewed the statements of the beneficiary accounts (the accounts to which the payments were made) and I can see that unfortunately that was the case here – with the money being moved on quickly after Mr M had made the payments. Overall, from what I've seen, I don't think NatWest has missed an opportunity to recover the money Mr M has lost.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this crime has had on Mr M. I have a great deal of sympathy for Mr M being the victim of what was clearly a cruel and callous crime that has had a significant impact on him. But I can only compel NatWest to refund Mr M if it is responsible for the loss. For the

reasons explained, having carefully considered the circumstances of this complaint, I can see no basis on which I can fairly say that NatWest should be held liable for the loss Mr M has sadly suffered.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 September 2025.

Stephen Wise
Ombudsman