

The complaint

Mr B has complained that National Westminster Bank Plc (NatWest) won't refund the money he lost after falling victim to a scam.

What happened

In spring 2024, Mr B was looking for work, and was cold-called with a job offer. He was set up with an account on a portal, where he did tasks for commission. His account went into negative balances, which he was told to clear with his own funds to get his money back. Mr B did so by making card payments to a cryptocurrency account in his own name, then sending the funds on from there. He was asked to put further money in to withdraw his earnings, and realised he'd been scammed. He'd paid over £2,000 from his NatWest account.

NatWest didn't think they were liable for Mr B's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr B appealed, so the complaint's 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.

I understand that Mr B fell victim to a scam, and so he has my sympathy. I appreciate this can't have been an easy time for him, and I appreciate why he feels that his money should be returned. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened, and who really owe Mr B his money back. But I can only look at what NatWest are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold NatWest liable for Mr B's loss. I'll explain why.

It's not in dispute that Mr B authorised the payments involved. So although he didn't intend for the money to go to scammers, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, NatWest had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

NatWest should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether NatWest should have done more in Mr B's case.

While of course this was a significant amount for Mr B to lose, the payments were not nearly large enough that I'd have expected the amounts to be of particular concern to NatWest. And while they went to a crypto site, NatWest were not required to flag or stop every single payment to crypto sites. There were only a few payments, of non-notable amounts, they didn't empty the account, and they were authorised by the genuine customer to another account of his own. And I can't see that NatWest were made aware of any other good reason to think that Mr B was being scammed. Overall, I do not find that the payments involved were so unusual or out of character that NatWest needed to intervene here, and I do not find that NatWest failed in any duty of care toward Mr B.

I've then considered what NatWest did to try to recover Mr B's money after he told NatWest about the scam. Unfortunately, as these card payments went to Mr B's own crypto account, and Mr B then sent all the money on to the scammers, there was nothing more that NatWest could really do to get that money back. While I appreciate that Mr B would like NatWest to have tried a chargeback, there was no chargeback reason which would've been appropriate here. A chargeback would've been against the crypto exchange rather than the scammers, and the exchange provided the service they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary. So it was fair that NatWest didn't try one in this case. Then as these were card payments made to a crypto account in Mr B's own name, they were not covered by the CRM Code.

Lastly, I've not found that NatWest made any errors which would necessitate them paying Mr B any further compensation here.

So while I'm very sorry to hear about what happened to Mr B, I don't think NatWest can fairly be held responsible for his loss. And so I can't fairly tell NatWest to refund Mr B's money in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 September 2024.

Adam Charles
Ombudsman