

The complaint

Ms H complains that National Westminster Bank Plc (NatWest) won't refund money she says she lost when she was a victim of a scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In February 2024 Ms H told NatWest that she'd fallen victim to a romance scam. And that, as part of the scam, she'd made transactions totalling about £27,000 since April 2023 that had all been lost. From what I can see, the transactions included cash withdrawals made in branch and at cash machines, payments to crypto platforms and retailers (whereby Ms H said she purchased gift cards).

NatWest rejected Ms H's complaint and declined to refund her. They said the payments didn't have any chargeback rights and that they'd found no bank error.

Ms H referred her complaint to the Financial Ombudsman. Our Investigator didn't think NatWest had to do anything further. In short, he said:

- He hadn't been provided with enough evidence to show fraud had occurred – with Ms H saying the communication with the scammer has since been deleted.
- But even if he were to accept there was a scam that Ms H had lost funds to, he didn't think NatWest could reasonably have prevented it. This is because Ms H didn't disclose the true purpose of a £16,000 cash withdrawal she attempted on 31 January 2024 – as she said it was to pay back a friend, rather than to purchase more gift cards in relation to the claimed fraud. And so, it's likely she would've acted similarly had NatWest questioned her about any of the earlier transactions.
- He noted that Ms H had also reported the fraud to another bank in 2021, where she claimed she had also suffered a loss, but continued to make the payments to the scam despite this. So, he didn't think NatWest could've done anything to prevent Ms H's claimed loss in any event – as he thought she would've continued to find a way to make the transactions.
- NatWest couldn't have done anything to recover the funds as there weren't any chargeback rights for the debit card transactions – as Ms H received the service she paid for. Nor was there enough evidence to show the transactions for the gift cards were made as part of a scam.

Ms H asked for her complaint to be referred to an Ombudsman. She reiterated that she had been the victim of a scam and questioned what else she could provide to demonstrate it. Ms H also emphasised the impact this has had on her physically, emotionally and mentally.

The matter 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.

While I'm sympathetic to the situation Ms H has found herself in, I've come to the same outcome as our Investigator and for similar reasons.

There isn't any dispute that Ms H authorised the transactions in question here. And in line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. NatWest is also expected to process authorised payment instructions without undue delay. But as a bank, they also have long-standing obligations to help protect customers from financial harm from fraud and scams. But those are predicated on there having been a fraud or scam. So, to start, I've considered whether Ms H has been a victim of a scam.

Ms H has provided a significant number of documents to the Financial Ombudsman in support of her claim that she has fallen victim to a scam – for this and other complaints she has raised against different financial firms. I've given Ms H's submissions very careful consideration. From this, I'm satisfied Ms H purchased crypto and gift cards. But I haven't seen anything to *specifically* show that the transactions (and which ones if so) were carried out in relation to a scam. So, while I've considered Ms H's testimony, I can only be satisfied that she made legitimate transactions on her account – but not that the ultimate beneficiary of the funds was a scammer.

That said, even if I were to be satisfied Ms H had fallen victim to a scam, I don't think NatWest would be responsible for her loss. This is because while there are circumstances where it might be appropriate for NatWest to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud, I wouldn't have expected that here. I'll explain why.

NatWest processes high volumes of transactions each day. And so, there is a balance for them to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate. I would therefore only expect NatWest to undertake additional checks if there was sufficient reason to suspect a customer might be at risk of financial harm from fraud – for example, if the instructions were unusual or out of character for the customer.

In this case, the transactions were generally of a relatively low value and spread out over a long period of time – about 11 months. And there wasn't any adverse information about the payees available to NatWest for the debit card transactions – as they were legitimate firms. Because of this, I don't think NatWest would've had enough reason to suspect Ms H might be at risk of financial harm from fraud – at least, not prior to the attempted £16,000 cash withdrawal which NatWest declined and questioned Ms H about.

Furthermore, even if NatWest had intervened sooner, I can't reasonably conclude that this would've made a difference. Although NatWest were able to prevent the £16,000 cash withdrawal, this transaction was significantly greater in value than the rest. And I would expect any fraud prevention checks to be proportionate to the identifiable risk associated to the payment(s) in question. This means any additional checks or questioning regarding the surrounding circumstances of the lower value transactions would've been more basic in nature. And although I appreciate Ms H says she was threatened by the scammers to not disclose the truth; this meant it was more likely than not that she wouldn't have been honest with NatWest. It follows that I don't think NatWest could reasonably have prevented them being made.

I would only expect NatWest to attempt the recovery of funds in situations whereby a fraud or scam has occurred. But here, irrespective of whether one did or not, there was no basis for NatWest to attempt chargeback claims for the debit card payments anyway - as the service had been provided by the crypto platforms and retailers. And the cash withdrawals couldn't be recovered either due to Ms H using the funds. So, there was no realistic prospect of recovery here.

I know Ms H will be disappointed by this outcome. But for the above reasons, I don't think NatWest has acted unfairly by not providing a refund. As I've said, I'm not satisfied the transactions were made as part of a scam. But even if they were, I don't think NatWest should've stopped them being made - or could've reasonably prevented Ms H's claimed loss by carrying out additional proportionate checks before processing them.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 21 March 2025.

Daniel O'Dell
Ombudsman