

## **The complaint**

Miss H complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't refund the money she lost to a scam.

Miss H has used a professional representative to bring this complaint to our service and they have made submissions on her behalf. For consistency, I'll refer to Miss H throughout.

## **What happened**

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

Miss H followed a medical professional online (whom I'll call J), attending some online courses mostly about health and science.

She received a friend request from J on a well-known social media site. Unfortunately unbeknown to Miss H, a fraudster was impersonating J. After some general conversation about her medical condition, he told Miss H about an investment opportunity whereby if she invested in cryptocurrency, he would trade on her behalf.

The fraudster persuaded Miss H to make 7 payments from her NatWest account to a cryptocurrency exchange account in her name, totalling £4,400. From there, she moved the funds (in cryptocurrency) to a wallet address provided by the fraudster.

It was when Miss H tried to withdraw from her investment, and she was asked to pay various fees, that she looked into things further and realised she'd been scammed.

Miss H says she reported the loss to NatWest on 8 February 2024, but it didn't assist her. NatWest has no record of this contact.

NatWest didn't accept liability for Miss H's loss, as it said it was not the point of loss for the funds, given they went to Miss H's own account with the cryptocurrency exchange. It said it acted correctly by making the payments in line with Miss H's instructions, and it had no grounds to suspect she was the victim of fraud. It didn't intervene because the payments didn't meet known fraud trends at the time.

Our Investigator looked into things, but they didn't uphold Miss H's complaint. They thought NatWest had acted fairly in processing the payments in line with Miss H's instructions without intervening. They didn't think the payments were unusual or concerning. And there was no reasonable prospect of NatWest being able to recover Miss H's funds.

Miss H didn't agree. She maintained the payments were not in keeping with her typical account activity, and NatWest ought to have intervened and prevented her loss.

As no agreement could be reached, this case was passed to me to be decided.

## **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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

It isn't in dispute that Miss H carried out the transactions, albeit she was tricked into doing so. So, under the relevant regulations, namely the Payment Services Regulations 2017 (PSR 2017), the starting position is that Miss H is responsible for transactions she has authorised.

I appreciate Miss H feels strongly that NatWest ought to have done more to prevent her loss. And I've carefully weighed up her comments about the features of the payments she believes ought to have caused NatWest concern.

It's important to remember that firms like NatWest process hundreds of thousands of payments each day. It wouldn't be fair or reasonable, nor would it be practical, for it to intervene on every single payment it processes. Firms need to strike a balance between protecting customers from financial harm and avoiding unnecessary disruption to legitimate payments. Whilst I accept that any amount lost to fraud is too much, I'm not persuaded that the values of the payments, in isolation, would have been particularly striking to NatWest to have caused concern.

I've also weighed up whether the payments, when considered together, formed a concerning pattern. However, again I'm not persuaded that applies in this case. The payments were fairly spread out over a month and a half and didn't have a concerning impact on Miss H's account balance. I accept the frequency of the payments did start to increase after 6 December 2023 (albeit not consistently). However, the value of the payments at this point mostly fluctuated, rather than climbed. And so, I don't agree the pattern was concerning enough here to have caused NatWest to suspect Miss H was at risk of being scammed.

I do accept that cryptocurrency scams have increased in prevalence, such that by the time Miss H made the payments, I'd expect NatWest to have been aware of this elevated risk for payments associated with cryptocurrency. However, that doesn't mean it ought to intervene on every and any payment that appears to be associated with cryptocurrency – as a great many of these payments will be legitimate. Instead, I'd still expect it to take into account all the information known about the payment. And as I've explained here, there wasn't enough going on for NatWest to have reasonably been concerned.

All in all, I'm not persuaded NatWest acted unreasonably in processing these payments in accordance with Miss H's instructions without making further enquiries. I'm sorry Miss H lost this money, but on this occasion, I don't find NatWest ought reasonably to have prevented her loss.

### *Recovery of funds*

I'm not persuaded there was any reasonable prospect of NatWest being able to recover Miss H's funds. The payments were made to Miss H's own cryptocurrency exchange

account, and from there, she forwarded cryptocurrency to a fraudster. So, on the balance of probabilities, I don't think any recovery attempts would have been successful in this case.

#### *The Contingent Reimbursement Model (CRM) Code*

For the avoidance of doubt, Miss H's claim can't be considered under the CRM Code. Whilst NatWest is a signatory of the Code, specific conditions must be met for a claim to be covered. One of those conditions, is that funds go to 'another person'. But in this case, the payments are made to Miss H's own account – not 'another person'. So, the CRM Code doesn't apply.

#### **My final decision**

For the reasons explained, my final decision is that I do not uphold this complaint about NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 28 April 2025.

Meghan Gilligan  
**Ombudsman**