

The complaint

P complains that National Westminster Bank Plc (NatWest) is refusing to refund the amount it lost as the result of a scam.

P is being represented by a third party, and a third party acted on behalf of P when making the disputed payments. To keep things simple, I will refer to P throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, P has told us that he found an online article that appeared to include an interview with a well-known celebrity stating that his main source of income was from cryptocurrency investment.

Interested in the opportunity P clicked on the link provided and completed a short questionnaire. P was then contacted by the scam company I will call "X" stating that one of its consultants would be in touch.

X then called P and explained that P had been assigned a dedicated account manager. P was provided with a login to X's trading platform it and explained how the investment would work. P then made an initial payment into the account from an account held elsewhere.

P was happy with the initial investment as he could see it was generally growing each day.

P was then contacted again by X and offered an investment in Bitcoin. X said it had acquired two Bitcoins and could offer them to P at a significant discount. P agreed to purchase the coins that were added to his account with X. P received what appeared to be an official document confirming the purchase.

P was then upgraded by X to a higher-level account with a more senior person. X explained that it had inside information that a well-known business was going to release their own token and that P could pre-buy the token, promising a profit of 50% when the tokens were released. The investment would cost a total of £250,000. P agreed and made a series of payments before receiving an official document confirming the purchase.

After making all the payments P's account was showing a balance with X of over £1,700,000.00 but X explained that P would have to make payments in relation to withdrawal fees before any withdrawals could be made. P was sent a release authorisation form detailing the amount due which totalled more than £40,000.

P says that although he was promised he would then be able to withdraw the full amount from his account following the fees being paid X suggested trying a smaller amount first.

A withdrawal of £2,000 was attempted and was successful. But when a larger withdrawal of £20,000 was attempted, it appeared to fail, and P was told by X he would have to make a

further payment.

P then carried out further research and discovered he was likely being scammed. He confronted X who denied the scam but said he could no longer be P's account manager.

Throughout the scam P was guided through the investment process using remote access software and was told to open various accounts to facilitate transfers into the investment, some of which were closed, and new accounts had to be opened with other account providers to facilitate transfers.

The following payments were made from P's account with NatWest in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	19 June 2023	eToro	Transfer	£850
2	12 July 2023	eToro	Transfer	£10,000
3	13 July 2023	eToro	Transfer	£3,000
4	17 July 2023	eToro	Transfer	£20,000

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

Recovering the payments P made

P made payments into the scam via transfer. When payments are made by transfer NatWest has limited options available to it to seek recovery. NatWest could contact the operator of the account the payments were made to and request a refund of any funds that remain in that account. But P has already told us that the account the payments were made to was in P's name and were forwarded to the scam. So, I don't think it was unreasonable that this was not attempted.

Should NatWest have reasonably prevented the payments P made?

It has been accepted that P authorised the payments that were made from P's NatWest account, albeit on X's instruction. So, the starting point here is that P 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 been aware of the scam and stepped into question P about the payments that were being made. And if it had questioned P, would it have been able to prevent the scam taking place.

I think it could be argued that NatWest should have intervened when payment 4 was attempted. While it wasn't unusual for P to make large payments to different beneficiaries from the NatWest account, payment 4 was for twice the value of a previous large payment

made to the same beneficiary just a few days earlier and was beginning to show a pattern of increased value payments to a new payee.

But I don't think an intervention would make a difference. I'll explain why.

When P attempted to make payments from other accounts throughout the scam interventions took place. During a phone call, when trying to make a payment from another account P was asked probing questions about the payment he was making.

P confirmed the payment was being made to another account in his name that he had held for some time, and that the purpose of the payment would be to use the funds while travelling in another country. P also confirmed that no one had asked P to lie to the bank if questioned about the payments.

The information P provided was not entirely honest. He had not had the account he was transferring the funds to for some time and the payment was in relation to the investment he was making not to use while travelling.

During an online conversation that took place with another account provider P confirmed he was not being pressured to make payments, he had not been promised unrealistic returns, he had not been contacted by anyone to invest, he was not buying cryptocurrency and he had remote access software downloaded but this was for work purposes.

The above was not entirely true. P had been promised unrealistic returns, P had been contacted after filling in an online form, P was buying cryptocurrency, and although P may have already had the remote access software downloaded I think P should have volunteered the information that P was also using it alongside the investment P was making, considering P had been asked if P was asked to download it in relation to the payment that was being made.

While it is possible further interventions could have taken place, I don't think this would have made a difference. It is clear P was willing to give misleading information to get the payments processed and I haven't seen enough to suggest P would have been any more honest when he made payment 4 from the payments listed above.

P has said that NatWest should have done more to uncover the scam and that P answered some of the questions honestly. But I think it's clear that overall, P was willing to give dishonest information to have the payments processed. I think it's unlikely P would have been any more honest had NatWest intervened.

As giving incorrect information when attempting to make payments would have made it extremely difficult for NatWest to uncover the scam, I don't think NatWest missed an opportunity to prevent the payments P made and it is not responsible for P's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 3 January 2025.

Terry Woodham
Ombudsman