

The complaint

Mrs O complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") won't refund the money she lost when she sent a payment to an investment she now believes to have been a scam.

The complaint has been brought via a representative. For ease, I'll mainly refer to Mrs O, even where comments or submissions have been made on her behalf by the representative.

What happened

In November 2018, Mrs O made a payment from her NatWest account for £10,000 for an investment. She believed this money was for an overseas property development company, who I'll refer to as "G". The investment was essentially a fixed duration loan to G and was to provide Mrs O with a fixed rate of 10% per annum, plus a 2% bonus at the end of the term. G would be required to repay the capital at maturity – in 2020.

However, G seemingly didn't make any interest payments or capital returns to any investors from around mid-2019. Mrs O has said she didn't receive any payments. G failed and entered a liquidation process, which is still ongoing.

Mrs O now believes G wasn't operating legitimately. She complained to NatWest. In summary, she believes that NatWest were negligent and should have identified that she was at risk of fraud so should have carried out additional checks before allowing the payment to go through.

NatWest didn't uphold the complaint. In essence, it believes this was a legitimate investment at the time but that it later failed. Mrs O disagreed and brought the complaint to our Service.

Our investigator considered the complaint. He didn't conclude whether G was operating a scam or not. But he said that if NatWest had asked further questions about the payment, it wouldn't have resulted in a different outcome – there was nothing that would have appeared overly concerning about the investment at the time. So he didn't uphold the complaint.

Mrs O disagreed so the 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.

In deciding this case, I'm required to take into account relevant law and regulations, regulator's rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

The Contingent Reimbursement Model ("CRM") Code came into effect after this payment was made, so isn't relevant here. And it's also not been determined that G was operating a scam. But I've thought carefully about what would have been expected of NatWest at the time and, regardless of whether this was or wasn't a scam, with the facts before me in this

case, I don't uphold this complaint – I'll explain why.

In broad terms, the starting position is that NatWest would have been expected to process payments that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. It's not been disputed that Mrs O authorised the payment so, in the first instance, she's presumed liable for it.

However, I've thought carefully about whether NatWest ought to have had grounds to suspect the payment might be connected to fraud or a scam and whether it should therefore have intervened before processing the payment. While this was a substantial sum, this wouldn't have stood out as unusually high or uncharacteristic based on payments made in the months just prior. So I'm not persuaded that it should have intervened.

But, even if it had done so, I think the end result would have been the same. The returns didn't sound unrealistically high or too good to be true. And, based on what we know of the structure of the investment, it wasn't so concerning or unusual that it could have been identified as a Ponzi scheme or scam. I also note there wasn't anything available in the public domain that would have suggested the investment wasn't legitimate. And though G wasn't FCA regulated, I don't think this would have been particularly concerning given that this was an overseas investment company.

So, even if I thought NatWest should have intervened, I can't see that, through the course of proportionate enquiry, there's anything that would have been identified that would have deterred Mrs O from investing at the time. And I therefore don't think it would be reasonable to hold NatWest liable for Mrs O's losses.

It doesn't appear that NatWest tried to recover the funds. But, from the evidence received, it doesn't seem to have been made aware of the loss until 2024. But G had already entered the process of liquidation by this time. So there would have been no reasonable prospect of successful recovery.

Having considered everything, while I'm sorry Mrs O has lost a substantial sum of money, I don't uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 26 June 2025.

Melanie Roberts
Ombudsman