

## **The complaint**

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

## **What happened**

In summer 2023, Miss S made a card payment of £1,000 from her NatWest account to her cryptocurrency account. She then sent the money to a third party, who she believed was a broker who'd help her to trade. However, they were actually a scammer. She explained that they messed her around for months after, then stopped replying.

In early 2024, Miss S raised this with NatWest, but faced trouble getting her case logged at first. NatWest did then look into the matter, but they did not have the ability to get Miss S's funds back and thought they were not otherwise liable for her loss. They paid Miss S £120 compensation for their customer service issues and gave internal feedback.

Our Investigator looked into things independently and found that NatWest had already dealt with things appropriately. Miss S didn't agree, 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 Miss S fell victim to a scam, and so she has my sympathy. I appreciate this can't have been an easy time for her, not least as she was going through a truly tough time more generally, and I appreciate why she wants her money to be returned. It's worth keeping in mind that it's the scammer who's primarily responsible for what happened, and who really owes Miss S her 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 Miss S's loss. I'll explain why.

It's not in dispute that Miss S authorised the payment involved. So although she didn't intend for the money to end up with a scammer, under the Payment Services Regulations she is liable for the loss in the first instance. And broadly speaking, NatWest had an obligation to follow her 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 Miss S's case, which included looking at the conduct of her account.

However, I don't think the payment involved was so unusual or out of character that NatWest needed to intervene here. While it was a substantial amount, it wasn't nearly large enough to have been of particular concern. It was only one card payment, made with sufficient funds in the account, and not a rapid series of many payments. It was made to an account of Miss S's, at a well-known exchange, which she'd used before. And I've not found any other reason why NatWest should've intervened in this case.

Next, I've considered what NatWest did to try to recover Miss S's money after she told NatWest about the scam. But as the funds had gone to Miss S's own crypto account and then been sent on, it wasn't possible to return them. And as this was a card payment made towards a crypto account in Miss S's control, it wasn't covered by the CRM Code for scams. There also were not any insurance policies in place which covered Miss S for this payment.

NatWest did look into raising a chargeback for Miss S. Chargebacks are voluntary, and operate under strict rules set by the card scheme. Unfortunately, it wasn't possible to get Miss S's money back using a chargeback. Chargebacks can only be submitted for certain specific reasons, and there was no chargeback reason which covered Miss S's situation. A chargeback would be a dispute raised against the merchant (here, the crypto exchange) – *not* against the scammer. And as far as I can see, the exchange would've provided the service they were supposed to. Moreover, chargebacks have to be raised within a certain amount of time, and by the time Miss S told NatWest about the scam, it was too late to raise one in any case.

So while I'm very sorry to hear about what happened to Miss S, I don't think NatWest can fairly be held responsible for her loss. And so I can't fairly tell NatWest to refund Miss S's money in this case. Miss S pointed out that a different bank refunded her for a different set of scam payments she made that summer. It appears they mostly did that as a goodwill gesture, which I can't fairly force NatWest to do. And those were different payments, made on a different account, to a different exchange, and so on. We look at each case on its own merits, and I've explained above why I can't hold NatWest liable in this particular case.

Finally, I do understand that Miss S faced some customer service issues when she reported the matter to NatWest. For example, she spent a lot of time on hold, wasn't called back as promised, and the matter wasn't logged at first. I do understand that, while that was sorted out relatively quickly, it did add to Miss S's stress. When it comes to compensation, it's worth keeping in mind that – as I set out before – it's the scammer who primarily caused Miss S's stress in this situation, not NatWest, though I acknowledge the customer service issues would've added to it. And we're not here to issue fines or to punish businesses. Taking into account the impact of NatWest's customer service issues (as opposed to the impact of the scammer's actions), along with the guidelines for compensation which I must be consistent with, I find that the £120 NatWest have already paid is fair to put those issues right.

### **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 Ms S to accept or reject my decision before 8 January 2025.

Adam Charles  
**Ombudsman**