

The complaint

Miss R is complaining that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) didn't do enough to prevent her making payments to what she says was a scam.

The complaint is brought on her behalf by a professional representative.

What happened

On 4 July 2018 and 5 July 2018 Miss R made two payments from her account with NatWest to what she thought was a genuine investment. The first payment was for £20,000 and the second payment was for £5,000.

In 2019 Miss R received a letter from the company she'd invested in to say that interest payments wouldn't be made for three months, and instead all the interest would be paid at the end of the investment period. But Miss R's told us she didn't receive any interest payments, and was unable to withdraw any of her money from the investment.

In May 2024 Miss R complained to NatWest, through her representative. She said that the investment was actually a scam, and NatWest ought to have recognised a scam risk when she made the payments, and asked about their purpose at the time. She asked NatWest to refund the payments to her.

NatWest replied to say it didn't think it had done anything wrong – so Miss R brought her complaint to our Service.

Our Investigator didn't uphold Miss R's complaint – because he didn't think the payments she was disputing would have appeared out of character to NatWest, based on her overall account activity. Miss R didn't agree, so her complaint's been passed to me for review and a decision.

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 do understand that this experience must have been upsetting for Miss R, and I'm sorry that she's found herself in this situation. But I don't think that I can fairly say that NatWest should refund the money Miss R lost. I'll explain why.

Miss R's representative has mentioned the Lending Standards Board's Contingent Reimbursement Model (CRM) code, which is a voluntary code designed to protect customers from Authorised Push Payment (APP) Scams. But this code didn't come into force until May 2019 – nearly a year after Miss R's payments were made – and it isn't retrospective. So, I can't consider her complaint with this in mind.

Miss R's representative has provided some information about why it believes the

company she invested in behaved fraudulently. But I don't need to make a finding on whether the company behaved fraudulently or not, because I don't think it makes a difference to the fair outcome of this complaint. I must make my decision based on the information that was available to both parties at the time Miss R made the investment – in order to decide what, if any, action NatWest should have taken at the time, and whether any action they did take would have made a difference to what happened.

It's not in dispute that Miss R authorised the payments. And NatWest had a duty to act on her instructions. But in some circumstances a bank should take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transaction is unusual for the customer or looks characteristic of fraud. And if so the bank should intervene, usually by contacting the customer directly before releasing the payments.

Miss R's representative has explained why it thinks NatWest should have intervened here when she made the payments to the investment. It says the payments were a sudden and rapid increase in spending – and therefore should have been flagged on NatWest's systems as unusual.

It's true that the payments here were of a relatively high value, but I don't think they represented a sudden and rapid increase in spending, as Miss R's representative has said. This is because from reviewing Miss R's statements I can see she had made other, similarly high value payments (which also appear to be related to investing) in the six months before she made the disputed payments. On 24 May 2018 she made two payments, totalling £39,500, and on 27 March 2018 she made two payments totalling £20,000.

In this context, I can't conclude that the disputed payments looked particularly out of character or suspicious for Miss R. They were of a similar value to recent, apparently legitimate, payments she'd made. And the company Miss R was paying is a legitimate company which is regulated by the Financial Conduct Authority (FCA).

Taking this into account, I don't think NatWest ought reasonably to have been concerned about the payments, such that it ought to have intervened before processing them.

For completeness, I would add that even if NatWest had intervened here, for example by contacting Miss R directly to ask some questions about the investment, I don't think this would have made a difference to her decision to proceed with it. I say this because I've not seen anything to show Miss R would have had any reason to doubt the legitimacy of the investment at that time, and I don't think I can fairly say NatWest would have been able to give Miss R any information that would have led her to do anything differently. So, I think if NatWest had intervened Miss R would have told them to proceed with the payments. And I don't think it would have had any grounds to do otherwise.

NatWest wasn't made aware that Miss R suspected she was the victim of fraud until nearly six years after she had made the payments. Due to the time that had passed, even if NatWest had attempted to recover the funds, there was no reasonable prospect that recovery would have been successful.

Miss R's representative has told us she was vulnerable at the time she made the investment, because she is a senior citizen. But in the absence of any other concerns that she was particularly vulnerable to financial harm from a scam or that her decision making was impaired, Miss R's age doesn't mean NatWest ought to have taken a different course of action here.

I'm very sorry to disappoint Miss R. However, for the reasons I've explained, I don't think

NatWest should have done more to prevent her making the payments. So, it wouldn't be reasonable for me to ask it to refund the payments she made.

My final decision

My final decision is that I'm not upholding Miss R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 20 June 2025.

Helen Sutcliffe
Ombudsman