

The complaint

Miss E complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') hasn't refunded the money she believes she lost to an authorised push payment ('APP') scam.

What happened

In October 2019, Miss E made two payments to a third party – whom I'll refer to as 'J'. Miss E made two further payments to J in November 2019. The payments were for gardening work Miss E instructed J to complete at her home.

J didn't complete the work for Miss E. So, in June 2021, Miss E obtained a County Court Judgement against J relating to the work she'd paid J to do. Miss E instructed bailiffs to recover the balance J owed her, but this wasn't successful.

In June 2024, Miss E contacted NatWest about the situation and asked for a refund of the payments she'd sent to J. NatWest said the situation was a civil dispute between Miss E and J and not an APP scam. As a result, NatWest refused to reimburse Miss E's loss.

Miss E wasn't happy with NatWest's response, so she made a complaint. In its response to the complaint, NatWest reiterated its decision not to reimburse her as it considered her loss to be a civil dispute between her and J, which it wasn't responsible for refunding.

As Miss E wasn't happy with NatWest's response, she referred her complaint to this service. Our Investigator considered Miss E's complaint, but didn't uphold it. In their opinion, the evidence suggested that NatWest hadn't acted unfairly by treating Miss E's scam claim as a civil dispute. So, they didn't think NatWest could fairly be held responsible for refunding Miss E's loss.

Our Investigator pointed out that work had been started by J and around nine months after Miss E paid J, they incorporated a limited company. There were online reviews of J (and their limited company) dating back several years, which were mostly positive, with the only negative ones being made by Miss E. So, our Investigator felt there wasn't sufficient evidence to conclude that Miss E had been the victim of an APP scam.

Miss E didn't agree with our Investigator that the situation with J was a civil dispute. She argued that another individual who paid J had also had problems with the work not being completed. That individual had received a full refund from their own bank. She felt that the same outcome should be reached on her complaint with NatWest.

Miss E also argued that other negative online reviews of J had been removed, and she believed the positive ones, relied on by our Investigator, to be fake.

As an agreement couldn't be reached, 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.

At the time Miss E made the disputed payments, NatWest was signed up to the Lending Standards Board's Contingent Reimbursement Model Code ('CRM Code'). The CRM Code provided additional protection from APP scams, but only in certain circumstances.

When NatWest received Miss E's claim, it said it didn't think she'd been the victim of an APP scam, meaning it didn't need to reimburse her under the principles of the CRM Code because it didn't apply to her circumstances. For me to say that decision was wrong – and NatWest should've refunded Miss E's payment in full – I'd first need to be satisfied that the CRM Code is a relevant consideration in the circumstances.

The CRM Code can only apply where the victim's payment meets the CRM Code's definition of an APP scam. Under DS1(2)(a) of the CRM Code, an APP scam is defined as:

“(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or

(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”

DS2(2)(b) of the CRM Code says it doesn't apply to:

“private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier”

There's been no suggestion made that J wasn't the person Miss E intended to pay. So, she wasn't *“deceived into transferring the funds to a different person”*. This means DS1(2)(a)(i) doesn't apply in these circumstances.

The purpose of a payment forms part of the CRM Code definition of an APP scam under DS1(2)(a)(ii). As such, the reason Miss E made the payments is a relevant consideration when determining whether the CRM Code applies in these circumstances or not. For me to say the CRM Code applies in this case, I need convincing evidence to demonstrate Miss E was dishonestly deceived about the very purpose of the payments she made – i.e., that her funds were criminally obtained. To uphold Miss E's complaint under DS1(2)(a)(ii) of the CRM Code, I'd need to be reasonably satisfied that it is more likely than not that J received her payments for a fraudulent purpose.

Miss E made the disputed payments to J for building work to be completed in her garden. So, I've considered whether – at the time the payments were made – J intended the payments to be used for a purpose unrelated to building work.

I've looked at the correspondence Miss E sent to J in October 2020 – around a year after the disputed payments were made. Her emails refer to the work not being completed, but also that some work had been done which Miss E wasn't satisfied with. She said:

"the framework has fallen apart when I had a colleague connect the water feature over the weekend and nearly slipped as the steps expanded further"

"you are neglecting to resolve this due to no income from this and cost involved for electrician and your staff to restart work plus the materials"

When Miss E reported the situation to NatWest, she is reported to have told NatWest that approximately 50% of the work had been completed by J.

In Miss E's complaint to NatWest, she said:

"He did not return to finish off the work as agreed"

In Miss E's online review of J, dated September 2021, she said:

"This business has done atrocious work true pictures are posted"

Only one picture was posted with Miss E's review. This picture shows decking had been erected in Miss E's garden, which was coming apart. However, the image of the decking is consistent with the images J posted on its social media page, which show that in addition to the decking, a pathway with slate edging had also been installed, which matches the job quote J sent to Miss E before the payments were made.

So, it seems clear to me that J has completed (or at least started) some of the work Miss E paid for, albeit to a standard that Miss E wasn't happy with and that some of the work wasn't completed. Given the scale of the work that has been done and materials that have been supplied, this doesn't suggest J took Miss E's money with no intention of completing the job they were paid to do.

There are many online reviews of J, which are very positive. I have taken into consideration Miss E's belief that these reviews are fake, which could well be the case. I haven't placed much weight on the positive online reviews, because I can't verify them. However, I find the lack of negative online reviews of J, aside from those posted by Miss E, to be particularly persuasive. If J was taking money for jobs and then not doing the work, I'd expect to see other negative online reviews suggesting this was happening.

Miss E has argued that J attempted to have her negative online reviews removed and she believes other negative online reviews of J have been deleted. However, Miss E's negative online reviews haven't been removed, and so in the absence of any evidence suggesting other negative online reviews of J have been deleted, I can't say what Miss E has alleged is accurate.

Miss E has also claimed that J showed her fake pictures of work they claimed to have done. I've assumed by this that Miss E believes she was shown pictures of work carried out by a different tradesman which J used to falsely verify their skill and ability, in order to entice her into paying J for the work she wanted doing. I don't know what pictures Miss E was shown, nor do I have any way of concluding whether the pictures were of work carried out by J or an unconnected third party. However, even if Miss E was able to demonstrate she was misled by J, that wouldn't be sufficient to say J had no intention of doing the work they were paid to do.

I can't say why J failed to complete Miss E's job or why they didn't return to rectify the issues Miss E identified. It's possible J had no intention of completing Miss E's job, but there could be many reasons why a tradesman doesn't finish a job they are paid to do. I also accept it's possible J has used pictures of work completed by other tradesman to entice Miss E into paying J. Whilst I don't condone J's behaviour here, I'm not satisfied that Miss E has demonstrated J set out to scam her at the time the payments were made.

I appreciate Miss E feels very strongly that she's been the victim of an APP scam and has provided evidence of another individual receiving a full refund of the money they sent to J. However, I can only comment on the circumstances of Miss E's complaint. And, based on the evidence that's been provided, I'm not persuaded Miss E has demonstrated that she has sent funds for a fraudulent purpose or that she has most likely been the victim of an APP scam as defined by the CRM Code.

As I'm not persuaded Miss E has been the victim of an APP scam, I'm not of the opinion that NatWest was wrong to treat the situation as a civil dispute and as a result, NatWest can't fairly be held responsible for Miss E's losses under the CRM Code.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 4 August 2025.

Liam Davies
Ombudsman