

The complaint

Mr S complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) won’t refund him the money he lost, after he fell victim to an investment scam.

Mr S has brought his complaint to this service with the assistance of a professional representative, but for ease of reading I will refer to Mr S throughout this decision.

What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won’t repeat it all again here. But in summary, I understand it to be as follows.

Mr S has explained that in 2020 a friend introduced an investment opportunity to him, with a company I’ll refer to a ‘C’. The friend explained that investing in C had provided him with a steady income, which he’d been able to regularly withdraw. Mr S has said that he carried out his own due diligence and didn’t find anything to concern him. He added that he was aware the company was based overseas and so fell outside of the Financial Conduct Authority’s (FCA’s) regulatory provisions.

Mr S has said he didn’t do anything immediately, but in 2021, when other investments he had weren’t performing as well as he had hoped, he decided to invest. Between April 2021 and June 2021, Mr S made a number of payments from his NatWest account, totalling just under £60,000 (our Investigator provided a detailed breakdown of the payments in their view, so I won’t repeat that again here). The payments were made to accounts Mr S held with cryptocurrency platforms, once converted into cryptocurrency, the money was subsequently transferred into digital wallets that C controlled.

Mr S has said he was initially able to see his investment increase in value, however he didn’t make any withdrawals, rather he was looking at a longer-term strategy. He’s said C started to hit withdrawal glitches and he now suspects that he has been scammed.

Mr S raised the matter with NatWest, but it didn’t uphold his complaint. In summary, it said the payments had been sent to accounts in Mr S’ name, so it didn’t consider it was liable for his loss.

Unhappy with NatWest’s response, Mr S brought his complaint to this service. One of our Investigators looked into things but didn’t think the complaint should be upheld. In summary, it was our Investigator’s view that while there was a point where she thought NatWest ought to have intervened, she didn’t think it would have stopped Mr S from wanting to make the payments.

Mr S didn’t agree with our Investigator’s view. In summary, he maintained that NatWest ought to have intervened and had it done so it would have made a difference. Alongside this, Mr S said he was vulnerable at the time he made the payments. He added that NatWest had discriminated against him, because its position assumed that he was neurotypical and it failed to activate the checks and balances that it should have done.

Our Investigator considered Mr S' points, but it didn't change her view. As agreement couldn't be reached the complaint has been passed over to me for a final decision.

What I've decided – and why

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I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the court.

First, I am sorry to hear about what Mr S has been through and that he has lost money this way and I don't underestimate his strength of feeling. But I'm afraid this decision doesn't bring him the news he had hoped for. I say that, as having thought very carefully about NatWest's actions, I don't think I can fairly or reasonably say that it is responsible for refunding him the money he has sadly lost. I'll explain why.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. Here, it is not in dispute that Mr S authorised the payments in question, so that means he is liable for them, even though he was the victim of a scam.

However, that is not the end of the story. The regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victim to scams.

So, in this case, I need to decide whether NatWest acted fairly and reasonably in its dealings with Mr S when it processed the payments, or whether it should have done more than it did.

I don't disagree with our Investigator's position that there was enough going on, at the point Mr S was making a payment for £9,500 on 20 May 2021, for NatWest to have been concerned that he may have been at risk of financial harm. I also agree that a proportionate intervention, at this point, would have been for NatWest to have stepped in and engaged directly with Mr S before allowing the payment to be progressed.

But where I find NatWest ought to have intervened more than it did, this in and of itself isn't enough for me to say that it should refund the money Mr S lost. Importantly, and what is the crux of the matter here, I'd also need to be persuaded that any further proportionate intervention/questioning would have made a difference and prevented the payments from being made. Of course I can't know for sure what would have happened, so I have to base my findings on the balance of probabilities – that is, what I think is more likely than not to have happened, taking into account what I know.

Although Mr S' payments were being made to his own cryptocurrency accounts, at the time they were made, cryptocurrency related scams were not as prevalent as they have been in more recent times. So had NatWest's intervention gone further than it did I would have expected it to have gone no further than to warn him about potential investment scams and to ensure that he was comfortable before proceeding. It wouldn't have been for NatWest to have provided Mr S with any investment advice, and I wouldn't have reasonably expected NatWest to carry out any research on C.

Mr S has explained that he was introduced to C through a trusted friend, who had made a profit and who had been able to successfully take money out of the investment. Mr S explained further that he had initially made returns, which he'd chosen not to withdraw, but rather to focus on a longer-term strategy. As well as this Mr S said there were regular online calls with investors/directors of the scheme and seminars. Alongside this he said that before investing, he carried out his own research and didn't find anything that gave him cause for concern. He was also aware of C not falling under any FCA protection, due to it being registered abroad.

With all of this in mind, had NatWest intervened and asked Mr S some questions about the purpose of his payment(s) I don't think his responses would have raised concerns. I say that because he'd been referred to the investment by a trusted friend, was aware of others who had successfully made withdrawals, and he wasn't being guided by a broker or a financial advisor. Further, he hadn't downloaded remote access software, he hadn't been promised unrealistic returns, and he'd done what he thought was reasonable due diligence. So, the investment didn't have the typical hallmarks of a scam. And as mentioned, although Mr S' payments were being made to his own cryptocurrency accounts, at the time they were made, cryptocurrency related scams were not as prevalent as they have been in more recent times, so I wouldn't have expected NatWest to question him specifically about this.

I am mindful the FCA had first published a warning about C in late 2019. But even if Mr S had come across this warning as a result of any intervention by NatWest, I'm not satisfied it would have prevented him from going ahead with investing in C. I say this for the reasons I've set out above – particularly with how Mr S was introduced to C and that he's explained he understood C wouldn't fall under any FCA protection due to its overseas status.

I'm also mindful that Mr S has said he was vulnerable at the time the payments were made. I recognise that Mr S has fallen victim to a scam and I'm sorry to hear of the difficult personal circumstances that he had been faced with. But I haven't seen anything to suggest that, at the time, NatWest were made aware of any vulnerability factors or ought to have identified them, such that it should have known to take additional steps to protect Mr S.

Mr S has complained that NatWest has discriminated against him, as its position assumed he was neurotypical and that it failed to activate checks that it should have. In other words, it has failed its duty to make reasonable adjustments under the Equality Act 2010. I've taken the Equality Act 2010 into account when thinking about whether NatWest acted fairly and reasonably, given that it's likely to be relevant law. That includes the duty to make reasonable adjustments being anticipatory - as well as more specific to the individual's circumstances if they disclose their disability and its impact on them (which Mr S accepts he didn't do here).

Overall, with all things considered and given the circumstances, I don't think NatWest can fairly be held responsible for Mr S' loss, and I don't think, in the individual circumstances of this case, the evidence supports that it would likely have been able to prevent Mr S from making these payments.

I've thought about whether there was any opportunity for NatWest to have recovered the money Mr S had lost, once it was made aware of the scams. However, given the funds had been exchanged into cryptocurrency and then moved on to accounts controlled by the fraudsters, I don't think there was any opportunity or prospect of NatWest being able to recover any of the money.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Mr S. It's very unfortunate he has lost this money in this way, and I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for him. But in the circumstances, having carefully considered everything, I don't find NatWest could have reasonably prevented Mr S' loss here. Neither do I find there were any other failings on NatWest's part that would lead me to uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 March 2026.

Stephen Wise
Ombudsman