

## **The complaint**

Miss N is unhappy that National Westminster Bank Public Limited Company (“NatWest”) won’t reimburse money she lost to a scam.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat everything here. In summary, Miss N has explained that between February and June 2019 she made payments from her NatWest account to buy cryptocurrency which she ultimately lost to an investment scam.

Miss N has explained that she was deceived by scammers into making payments towards what she thought was a legitimate investment with a company I will refer to as “S”. Miss N has confirmed that she was impressed by S’s platform and website. She says she transferred a total of £11,587.41 from her NatWest account to a legitimate cryptocurrency platform as part of the scam. The funds were then moved from the cryptocurrency platform onto the scammers. Miss N received a small return as part of the scam which she says made her believe that further withdrawals could be made. When Miss N attempted to withdraw her funds she was asked to pay fees, which she did. It was shortly after this that she realised that she couldn’t withdraw her funds and that she had been scammed.

Miss N raised a complaint with NatWest in January 2024. NatWest didn’t think it had done anything wrong by allowing the payments to go through. So, Miss N brought her complaint to our service.

Our Investigator looked into the complaint but didn’t uphold it. Our Investigator didn’t think the payments Miss N made were unusual and so they didn’t feel NatWest should have identified a scam risk. Miss N didn’t agree. She said, in summary, that she made a number of payments to a cryptocurrency exchange, which were out of character to her normal account activity. She felt that NatWest’s fraud prevention systems had failed to identify she was falling for a scam, despite the number of payments she was making, and that if it had intervened the scam could have been uncovered. She also felt that NatWest should have been aware of the risks around cryptocurrency payments in 2019.

Miss N’s complaint has now 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’m sorry to disappoint Miss N, but I’m not upholding her complaint - for broadly the same reasons as the Investigator.

I understand that Miss N has sent in decisions made by other ombudsmen where the complaints have been upheld. I can understand why she would think they have similarities to

her complaint. However, we look at individual complaints on a case-by-case basis and I am unable to comment further about the particular circumstances of other cases.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. NatWest is expected to process authorised payment instructions without undue delay. But NatWest also has obligations to help protect customers from financial harm from fraud and scams. Those obligations are, however, predicated on there having been an identifiable risk of loss to a fraud or scam present.

I think it's important to note here that although Miss N has provided some testimony about how she became involved in the scam, we've not been provided with any evidence to show that she was caught up in it, such as evidence of her own communications relating to the scam. She's told us she no longer has access to the platform used by S or the messages she had with the scammer. So, what Miss N has provided doesn't link her to the scam or demonstrate that she was a victim of it. And although she's shown us statements showing withdrawals from her cryptocurrency account, they don't show that the withdrawals were related to the scam or that the funds were subsequently sent to a scammer. I appreciate that it has been several years since the scam happened and that scammers can sometimes delete messages or remove access to platforms, but generally I would expect to see some more evidence to link the disputed payments to a scam, before considering if NatWest should have done anything else to intervene in the payments.

However, I don't think this makes a difference to the outcome of Miss N's complaint because, like the Investigator, I don't think NatWest ought reasonably to have identified the payments as suspicious or out of character, such that it ought to have intervened. So, I'm going to proceed on the basis that Miss N did suffer a loss to the scam she's described.

The Lending Standards Board Contingent Reimbursement Model Code (CRM Code) provides refunds in certain circumstances when a scam takes place. But as NatWest has pointed out, these payments aren't covered by the CRM code. This is because it doesn't cover payments made to an account held in a person's own name and it came into effect on 28 May 2019 – after most of the payments in question. I've therefore considered whether NatWest should reimburse Miss N under any of their other obligations.

NatWest didn't identify that Miss N might be at risk of financial harm from a scam when she made the disputed payments. So, I need to decide if the transactions were concerning enough that I would have expected NatWest to have had a closer look at the circumstances surrounding them. But I also need to keep in mind that banks such as NatWest process high volumes of transactions each day, and that there is a balance to be found between allowing customers to be able to use their account and questioning transactions to confirm they are legitimate.

Miss N has stated that NatWest should have identified she was falling victim to a scam based on her transaction history around the time of the scam. I've reviewed Miss N's account statements, and I can't conclude that the payments made to the scam would have looked particularly unusual or out of character to NatWest. The highest payment made in relation to the scam was £2,061.65, but the majority of the transactions were under £1,000. All the payments made were relatively modest so I can't say NatWest should have been particularly concerned about them or that they would have presented an obvious scam risk in value alone. Miss N also made some higher value transactions in the months leading up to the scam, so the disputed payments were unlikely to have stood out as suspicious.

Miss N has provided the Investigator with reasons on some of the higher value payments and why they shouldn't be classed as her usual account activity. But I wouldn't expect NatWest to have known this information at the time. She's also highlighted the fact she had

a loan with NatWest. There are many factors that we take into account when assessing if a business should recognise a customer is at risk of falling victim to a scam, and I don't agree, in this case, that having a loan with NatWest should have put it on notice that Miss N was at risk of financial harm. And, as explained above, a bank needs to strike a balance between allowing customers to use their accounts without unduly hindering legitimate transactions.

I've also considered the frequency of the scam payments and the fact they were being sent to a cryptocurrency exchange. The payments were made over a five-month period and although I accept Miss N's point that most of these payments were made in February 2019, I don't think they were made in quick succession. There were several gaps between most of the payments and on the whole they wouldn't have stood out as particularly concerning. They weren't increasing significantly in value so it would have been difficult for NatWest to identify that a scam was unfolding. The payments were also made to a legitimate cryptocurrency exchange. And while there are known fraud risks associated with cryptocurrency, as scams like this have unfortunately become more prevalent, not all payments related to cryptocurrency are scam related. This means that I wouldn't expect NatWest to intervene on a payment just because it related to cryptocurrency. So, while NatWest should be looking out for signs that their customers are at risk of financial harm from fraud, I'm not persuaded the value or frequency of the payments were so unusual or suspicious for NatWest to have suspected Miss N was at risk of financial harm - thereby prompting it to intervene before processing them.

Taking all of this into consideration, I don't think NatWest ought to have done more before following the instructions Miss N gave.

Miss N has also requested compensation in addition to a refund of the scam payments made. But I can't see any reason which would suggest compensation is warranted in the circumstances of the complaint as I have not found anything to suggest NatWest have acted incorrectly.

#### *Could NatWest have done anything else to recover Miss N's money?*

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether NatWest could have done more to recover the funds after Miss N reported the fraud.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. But I can see that Miss N didn't dispute the transactions in time to raise a chargeback claim in line with the relevant timescales, and I don't think there was any real prospect of a chargeback succeeding. This is because Miss N received the service she'd paid for in purchasing cryptocurrency.

So, I don't think there was anything more NatWest could have done to recover Miss N's money in these circumstances.

I'm sorry to hear Miss N suffered a financial loss as a result of what happened. But it would only be fair for me to direct NatWest to refund her loss if I thought the bank was responsible – and I'm not persuaded that this was the case. For the above reasons, I think NatWest has acted fairly and so I'm not going to tell it to do anything further.

#### **My final decision**

My final decision is that I do not uphold this complaint.

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

Aleya Khanom  
**Ombudsman**