

The complaint

Mr P is unhappy that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") won't refund the money he says he lost as part of a scam.

What happened

Mr P says he searched on the internet for someone who could replace his car audio system. He found a local company – I will refer to as G in this decision. G issued an invoice for the equipment and labour totalling £2,534.98. On 25 July 2023 Mr P transferred £1,400 from his NatWest account to the business account belonging to G. A second payment for £480 followed on 4 August 2023. Work commenced shortly after this, but Mr P experienced a number of delays and excuses as to why the work could not be completed and this went on for a few months. Mr P says another car audio company fitted the system and he provided us with screen showing a payment of £790 was made in the early part of 2024.

NatWest said this was a civil dispute between the parties and declined to refund Mr P.

Our investigator did not uphold the complaint. She concluded that based on the evidence she'd seen she couldn't be satisfied that Mr P didn't receive some service or that the tradesperson set out with an intent to defraud.

Mr P did not agree. He said:

NatWest has confirmed this is a fraud case and the core is determining who will reimburse him. He says this is based on the fact that NatWest reached out to the beneficiary bank and no funds remained.

- An invoice from a legitimate car audio company shows that it performed the installation of a new system. If the work had been completed by G, there would be no reason for him to pay again.
- G not only scammed Mr P but exploited multiple other individuals including his landlord.
- The company accounts are overdue according to Companies House and as the director of G has left the country it is unlikely G will submit the necessary tax accounts for this year.

As the complaint could not be resolved informally, it's been passed to me for 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Where I can't know for certain what has or would have happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

It's clear that Mr P feels strongly that G tricked him. From his perspective, G didn't fulfil what had been agreed. But I don't have the power to decide any dispute between Mr P and G. My role is limited to looking at whether NatWest has treated Mr P fairly.

NatWest has not confirmed this is a fraud case. Its position was outlined in its final response letter dated 4 May 2024 and it's clear it considered the matter a civil dispute.

NatWest didn't contract with Mr P for the services he requested, and I can't hold it responsible for any breach of contract or other failings on G's part. As a starting point in law, Mr P is responsible for payments he's instructed NatWest to make.

Unfortunately, there's little protection available to him for bank transfer payments, like these. Before I consider whether a bank has done enough to protect its customers, I must first be satisfied that a customer has been the victim of a scam. But I don't think we have enough information or evidence from Mr P here to safely conclude that he has been the victim of a scam.

Mr P has sent some messages (he says the initial messages were deleted), but these don't clearly show that the payments Mr P made were made as a result of a scam. According to the invoice from G, Mr P paid for several items for a new car audio system and several hours of labour.

NatWest was a signatory to the CRM Code at the time the payments were made. In certain circumstances, the CRM Code can entitle a customer to be reimbursed by banks or building societies after they've fallen victim to an APP (authorised push payment) scam. But the CRM Code is explicit that it doesn't apply to

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

I've thought very carefully about this but, there is a high legal threshold for fraud and there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties for a dispute to exist. Contracts can be breached and agreed goods and services not provided. But that doesn't necessarily amount to evidence of an intent to commit an APP scam.

An APP scam is where a customer was deceived into making a payment to another person for what they thought were legitimate purposes but turned out to be fraudulent. In this context, that would mean that the very purpose for which G obtained the payments would need to be different to what Mr P believed it was for, due to dishonest deception. All things considered I simply can't safely conclude that G took Mr P's money without ever having any intention of carrying out what was agreed. The evidence available to me simply isn't enough to support such a finding.

The chat messages suggest that G purchased the agreed items and carried out some work trying to fit them. This suggests an intention to deliver the agreed services. G may not have completed what was agreed and /or Mr P did not receive all the services he expected - but that's not enough to say this was an APP scam.

G was registered on Companies House incorporated in 2019 - so appears to have been successfully operating for a number of years and was trading at the time the payments were

made. I note that the company accounts are currently overdue and, the company's confirmation statement is due at the end of November. But I don't think this is enough to say Mr P has been the victim of a scam.

G may have provided misleading or incorrect information and may now be uncontactable. G may have been acting unprofessionally or may be of poor character, but I still think G's intention was to do the work that had been agreed and that the payments were being made for the purpose Mr P transferred them for.

Based on the evidence I've seen, I think it's more likely here G was attempting to operate as a legitimate business at the time and that other factors ultimately meant the work wasn't completed. I don't think G set out from the beginning with the intent to defraud Mr P.

I accept and acknowledge that Mr P may feel he has not received the goods/services he expected, and that the agreement was not completed and this in turn meant Mr P had his audio system fitted by another company. But overall, I think it's reasonable for NatWest to consider that this is a civil dispute between the parties.

That means that I can't fairly hold NatWest responsible for the loss suffered here by Mr P. It also means I find that NatWest had no ability or obligation to try and recover his money.

In addition, NatWest doesn't have any duty or obligation to intervene in payments that are legitimate or to protect its customers from the impact of a bad deal. So, I can't fairly criticise NatWest for not doing more when Mr P made the payments.

In saying all of this, I don't underestimate the impact this whole matter has had on Mr P. And I am sorry if he has lost out through no fault of his own. I don't know whether he has a legitimate grievance against G. But if he does - that fault doesn't lie with NatWest. And this type of dispute isn't something that the CRM Code covers.

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 Mr P to accept or reject my decision before 26 May 2025.

Kathryn Milne
Ombudsman