

The complaint

Mr M complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") have failed to refund the money he lost as part of a scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr M was introduced to a company that I will call B by a former work colleague. B purported to be a crypto trading firm which would offer a daily return.

Mr M sent funds totalling over £10,000 via a number of transfers to a crypto exchange. The funds were converted into crypto and were sent on to B. Over 10 payments were made between October and November 2023.

When Mr M attempted to withdraw the 'profit' that he could see on B's 'Platform', he was unable to. At this point Mr M realised that he had been scammed.

Mr M asked NatWest to refund these payments, as he believes NatWest should have done more to prevent him from being scammed. NatWest did not agree with this.

One of our investigators looked into this matter and he thought that NatWest did not need to intervene given the size and pattern of the payments.

Mr M did not agree with this and therefore his complaint has been passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

It isn't in dispute that Mr M authorised the disputed payments he made from his NatWest account. The payments were requested by him using his legitimate security credentials provided by NatWest. And the starting position is that NatWest ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I've considered whether NatWest should have done more to prevent Mr M from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance, the transactions were not in isolation large enough, and the pattern of spending was not enough, in my view, to be considered unusual or sufficiently out of character to have prompted an intervention from NatWest. Mr M had a history of making payments of a similar size and making large payments on consecutive days. So the payments would not have seemed out of character for his account. So I don't think that NatWest needed to intervene during the scam.

Even if NatWest had intervened, and I don't think it needed to, I don't think that this would have stopped the scam. I say this because during the interactions between Mr M and his other account provider, Mr M was not entirely forthcoming with what he was doing. He suggested that he was investing in crypto on his own and did not mention that he was sending funds on to a third party, despite being given the opportunity to do so. I also note that his other provider did provide a warning setting out the common features of crypto scams and this did not dissuade Mr M. So for these reasons I don't think that an intervention from NatWest, even if one was merited, would have stopped the scam.

I've also thought about whether NatWest could have done more to recover the funds after Mr M reported the fraud.

NatWest are under no obligation to refund the money to Mr M under the Contingent Reimbursement Model (CRM) Code as it doesn't cover transfers which the payer has effectively made to themselves.

I appreciate this will come as a disappointment to Mr M, and I'm sorry to hear he has been the victim a scam. However, I'm not persuaded that NatWest can fairly or reasonably be held liable for the losses that he said he incurred in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 May 2025.

Charlie Newton
Ombudsman