

## **The complaint**

Miss W and Mr Y complain about National Westminster Bank Public Limited Company ('NatWest').

They say that they have been scammed by a builder and would like NatWest to refund them the money they have lost as a result.

## **What happened**

Miss W and Mr Y employed the services of a builder they found online to build an annex in their garden for Miss W's mother.

A plan of action was agreed, including the building of a wall between Miss W and Mr Y's neighbour. Bricks were delivered for the work, but there were numerous delays and issues, and the relationship with the builder had broken down.

By this point, Miss W and Mr Y had paid the builder £17,600 which was paid into his girlfriends account for VAT reasons.

Miss W and Mr Y complained to NatWest about what had happened. It didn't uphold their complaint, but it did refund 50% of the payments.

Miss W and Mr Y brought their complaint to this Service and our Investigator looked into things.

Our Investigator explained that they agree with NatWest that this was a civil dispute – and that there wasn't enough information to say that the builder set out to defraud Miss W and Mr Y, at the time the payments were made.

Miss W and Mr Y asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

## **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 have decided not to uphold this complaint. I know this will be disappointing for Miss W and Mr Y, and I am very sorry for the situation they find themselves in. I can fully understand that they would want to attempt to recover the money that has been lost.

However, my role is to decide if NatWest needs to refund them the money they have lost, and I'm afraid that I can't say that it does.

It isn't in dispute that the payments made to the builder were authorised. Because of this, the

starting position – in line with the Payment Services Regulations (PSR's) 2017 – is that Miss W and Mr Y are liable for the transactions. But they also say that they have been the victim of an authorised push payment (APP) scam.

NatWest has signed up to the voluntary CRM Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.

I have set out the definition of an APP scam as set out in the code below;

*... a transfer of funds executed across Faster Payments...where:*

- (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.*

The CRM Code is also explicit that it doesn't apply to private civil disputes. The wording in the code is as follows:

*"This Code does not apply to:*

- b) 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."*

I've considered whether the payments fall under the scope of an APP scam as set out above – and having done so I am not persuaded that they do. I'll explain why in more detail.

Miss W and Mr Y say that they have paid for materials that were never ordered, and that invoices were never received, despite asking for them. They also say that as no wages were paid out for labour etc that there should have been money left in the builder's girlfriend's account for NatWest to recover. They also say that they doubt the builder had the storage facilities for materials.

In addition to this, they have raised that the builders' LTD company was only active for a short period of time (two years), and that this is another hallmark of a scam, along with social media forum comments from others who say they have been scammed by the same builder.

While I do accept that things haven't gone to plan, and that it is clear that Miss W and Mr Y haven't received what they paid for, and the building work hasn't gone to plan, I'm afraid I simply don't have enough to conclude that they have been scammed by the builder from the outset.

Sometimes people's businesses fail – and two years is not a very short time to be in business. And although it does appear that Miss Y and Mr W haven't received what they have paid for, I am unable to say that this was as a result to deliberately deceive them from the outset. Social media posts from other dissatisfied customers don't necessarily show that the builder is out to deceive – and the messages exchanged between the builder and Miss W and Mr Y do appear to suggest that there was an attempt to salvage the relationship. And while the order of bricks happened before the final payment was made, I can't ignore that at least some of the materials were paid for and delivered – and so I can't say that none of what was paid for was received.

I know that Miss W and Mr Y also have concerns that none of the money was recoverable – however NatWest attempted to do so on a best endeavour basis. It could be that the funds

were used for other business expenses unrelated to this job – but in any event, as this is a civil dispute, even if funds had remained, they may not have been recoverable.

It is possible that further information may come to light at a later date that shows that the builder did deliberately set out to scam Miss W and Mr Y – if such information becomes available, Miss W and Mr Y can complain to NatWest again, and if they are still not happy with the answer, refer the matter back to this Service.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W and Mr Y to accept or reject my decision before 18 February 2026.

Claire Pugh  
**Ombudsman**