

The complaint

Mrs C complains that National Westminster Bank Public Limited Company (“NatWest”) won’t refund her the money she lost after she fell victim to an Authorised Push Payment (“APP”) scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it all in detail here. But in summary, I understand it to be as follows.

In August 2024, Mrs C was contacted by somebody claiming to be from a well-known online marketplace. The caller explained to Mrs C that fraudsters were using her account and were attempting to purchase items. Mrs C has said that she checked her ‘basket’ and could see items in there, which she hadn’t ordered.

Mrs C was told that she needed to set up an account with another payment service provider, so that she could be refunded. Believing everything to be genuine, Mrs C followed the caller’s instructions and set up an account and in the process of liaising with the caller she was duped into making payments in order to receive a refund. As a result, four payments were then made from her NatWest account, totalling £1,291. But unknown to her at the time Mrs C was dealing with fraudsters, and the money she’d sent to the new account she’d set up would subsequently be moved on to accounts that the fraudsters controlled.

Mrs C raised the matter with NatWest, but it didn’t uphold her complaint. In summary, NatWest said it wasn’t the point of loss (as the money had been moved into another account that Mrs C held).

Unhappy with NatWest’s response, Mrs C brought her complaint to this service. One of our Investigators looked into things, but didn’t think the complaint should be upheld. In summary, he didn’t think NatWest missed an opportunity to prevent the scam, or to recover any of the money Mrs C had sadly lost.

Mrs C didn’t agree with our Investigator’s view. As agreement couldn’t be reached, the complaint has been passed to me for a final 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 mindful in her submissions Mrs C has referred to other payments she made, as part of the same scam, being refunded by another banking provider with which she holds an account. However, to clarify, this decision focuses solely on the actions of NatWest and the disputed payments made from Mrs C’s NatWest account.

NatWest was a signatory of the Lending Standards Board’s Contingent Reimbursement Model (CRM Code). Under certain circumstances, this CRM Code can require that firms

reimburse customers who have fallen victim to scams. However, the CRM Code only applies to faster payments made directly to another person's account. So, it doesn't apply to the payments Mrs C made, as she made payments to her own account. That means the CRM Code isn't an applicable consideration in this case.

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 Mrs C authorised the payments in question, so that means she is liable for them in the first instance, even though she was the victim of a scam.

However, that is not the end of the story. Good industry practice required that NatWest be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. On spotting such a payment, I'd expect it to intervene in a manner proportionate to the risk identified.

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

With this in mind, I've considered whether the payments Mrs C made were ones NatWest should have had particular concerns about. In doing so, I'm mindful that banks, such as NatWest, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment(s) against not holding up or delaying its customer's requests.

I don't doubt the payments represented a lot of money to Mrs C. But when compared with other payments that NatWest processes daily, I'm not persuaded they were of values which I think would have appeared so suspicious or unusual to NatWest, such that they ought to have alerted NatWest to the possibility Mrs C was being scammed or was at risk of financial harm.

From looking at Mrs C's account statements, from the months leading up to the scam, I can also see that the value of the amounts being made were not dissimilar to other transactions that she'd made and the payments didn't present themselves as clearing the majority of the balance on the account, which can sometimes, but of course not always, be an indicator of fraud. As well as this, NatWest would have been aware that the payments were going to an account that she held, which would have lessened its concern that Mrs C wasn't in control of the money.

Overall, all things considered and given the circumstances, I don't think NatWest made an error in allowing the payments to be progressed or missed an opportunity to prevent the fraud.

I've thought about whether NatWest did all it could to recover Mrs C's money once she had reported the scam to it. But given Mrs C sent money to another account she held in her name, before it was then moved on to accounts that the fraudsters controlled, there was little prospect of NatWest being able to recover any of the money.

I'm aware that Mrs C also raised some concerns about the service NatWest provided. I've listened to the calls that NatWest had with Mrs C, and I don't think the service fell below the standards that I would reasonably have expected. I do appreciate the impact this matter has had on Mrs C, and I don't doubt it was disappointing to hear that NatWest wouldn't refund her the money she'd sadly lost, especially so considering she'd received a refund from another provider, with whom she held an account. But I also mustn't lose sight that the main perpetrator of what happened here, and of the cause of the distress, are the fraudsters.

Overall, I don't think in the circumstances it would be fair or reasonable for me to order NatWest to make a payment for distress and inconvenience.

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 Mrs C. I have a great deal of sympathy for Mrs C being the victim of what was clearly a cruel scam that has had a significant impact on her. But I can only compel NatWest to refund her if it is responsible for the loss incurred. For the reasons explained, having carefully considered the circumstances of this complaint, I can see no basis on which I can fairly say that NatWest should be held liable for the loss Mrs C's has sadly suffered.

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 Mrs C to accept or reject my decision before 25 September 2025.

Stephen Wise
Ombudsman