

The complaint

Mr B is being represented by a claims manager. He's complaining about National Westminster Bank Plc because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr B fell victim to a cruel cryptocurrency investment scam. He says he was introduced to the scam by a friend who showed him the money they were making. Mr B was then introduced to the scammer and enticed to make the following payments in October and November 2023 that were lost to the scam:

No.	Date	Amount £
1	26 Oct	150
2	27 Oct	275
3	8 Nov	75
4	16 Nov	1,000
5	17 Nov	1,000
6	18 Nov	1,000
7	20 Nov	400
8	20 Nov	500
9	20 Nov	28
10	21 Nov	520

It's my understanding the payments were all transfers and were all sent to a known cryptocurrency exchange. Account statements show Mr B received four payments back from the scam totalling around £600 between 6 and 27 November 2023.

Mr B also sent money to the scam from an account with another bank and that's being dealt with as a separate complaint.

Our investigator didn't recommend the complaint be upheld. She didn't feel the original payments should have been viewed with and particular suspicion by NatWest. But she noted it declined a payment on 16 November as it exceeded the daily limit for cryptocurrency purchases and that Mr B called the bank to query this. During the call, she felt a more relevant warning about cryptocurrency investment should have been given but she didn't think this would have ultimately stopped the scam.

Mr B didn't accept the investigator's assessment and his representative made the following key points:

- Although payments were comparatively low, Mr B hadn't purchased cryptocurrency before and this unusual activity should have raised fraud concerns for NatWest.
- The warning given by NatWest's agent on 16 November wasn't sufficient in the circumstances.

- Mr B denies that he would have ignored a tailored warning relating to investing in cryptocurrency. While some aspects of the scam were unusual, which made it more challenging to recognise, a warning may have prompted him to carry out further investigations.
- NatWest should have made greater efforts to recover Mr B's money.

The complaint has now been referred to me for review.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In broad terms, the starting position at law is that a bank such as NatWest is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

In this case, there's no dispute that Mr B authorised the above payments.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

NatWest also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether NatWest acted fairly and reasonably in its dealings with Mr B.

Payments 1 to 3

Having considered what NatWest knew about the payments at the time it received Mr B's payment instructions, I'm not persuaded it ought to have been concerned about them. While Mr B may not have purchased cryptocurrency before, the amounts involved were low and they payments were spread over a period of time. So I don't think a pattern akin to how many scams operate had been established at this point.

I must take into account that many similar payment instructions received by NatWest will be entirely legitimate. And based on the circumstances of these payments, I don't think there

were sufficient grounds for it to think that Mr B was at risk of financial harm from fraud when he made the payments and I can't say it was at fault for processing them in line with his instructions.

Payment 4

Prior to payment 4, Mr B had tried to make a larger payment of £4,000. This was declined by NatWest as it exceeded its daily limit for purchasing cryptocurrency. After the payment was declined, Mr B contacted the bank to discuss.

During the call, NatWest's agent explained the reason for the payment being declined. She also asked whether Mr B had been contacted by anyone pretending to be from the bank telling him to make the payment or if he'd been told to lie to the bank. When he said no, she went on to explain that the bank would never ask him to move money to another account.

The warning given to Mr B related to safe account scams. But as he said he was investing in cryptocurrency, I think a likely type of scam that could be taking place was some type of investment scam and that any warning should have reflected this.

I've thought carefully about whether it's likely Mr B would have stopped making payments if he'd received a tailored warning telling him about the common features of cryptocurrency investment scams. Having done so, I agree with the investigator's assessment that this would have been unlikely to have uncovered and stopped the scam.

In saying this, and as Mr B's representative has pointed out, I'm mindful that this particular scam didn't bear many of the hallmarks of a 'typical' investment scam. For example, Mr B wasn't approached online by somebody he didn't know. Rather he was introduced to the investment by a friend. So, if an appropriate warning had been provided, it's not clear Mr B would have recognised his situation or that it would have resonated with him.

Mr B has also explained that his friend showed him the returns they were making. He also says he asked whether the company he was dealing with had a security certificate and was regulated and was told it was. As the scam unfolded, Mr B was shown information relating to the fake profits he was generating and he had received some payments back. As his representative has stated, these factors all helped convince him the scam was genuine. In the call on 16 November, Mr B said he'd previously worked in financial services, describing himself as "*scam savvy*", and, on balance, I don't think a warning setting out the common features of a cryptocurrency investment scam would have stopped him making payments at this point.

Payments 5 to 10

Again, the amounts involved were relatively low and didn't necessarily warrant further intervention from NatWest. And I wouldn't have expected any intervention that might have been attempted to have gone further than a tailored warning about the possible risks associated with cryptocurrency investment scams. For the same reasons outlined above, I don't think this type of warning would have stopped Mr B from proceeding with the payments.

Other issues

Mr B's representative has explained that he is vulnerable due to health issues. But NatWest has said, and Mr B's representative has acknowledged, that it didn't know about this. And I heard nothing in the call recording from 16 November that I think should have alerted the bank to the possibility that Mr B may not be capable of making his own financial decisions or

was otherwise vulnerable. In the circumstances, I wouldn't have expected him to be treated differently to any other customer making the same payments.

Recovery of funds

I've also looked at whether NatWest could or should have done more to try and recover Mr B's losses once it was aware the payments were the result of fraud. I understand Mr B reported the scam to NatWest on 24 November 2023, three days after the final payment.

Mr B transferred money to a legitimate cryptocurrency account in his own name. From there, he purchased cryptocurrency and moved it onto a wallet address of his choosing (albeit on the scammers' instructions). If NatWest tried to recover the funds, it could only have tried to do so from Mr B's own account and it appears all the money had already been moved on and, if not, anything that was left would still have been available to him to access. So I don't think anything that NatWest could have done differently would have led to these payments being successfully recovered.

It's my understanding that the payments were transfers rather than card payments, meaning the chargeback process wasn't an option in this case.

In conclusion

I want to be clear that it's not my intention to suggest Mr B is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of NatWest and, having done so, I'm not persuaded these were the cause of his losses.

I recognise Mr B has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by NatWest would have made a difference to the eventual outcome and I won't be telling it to make any refund.

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 B to accept or reject my decision before 2 April 2025.

James Biles
Ombudsman