

The complaint

Ms G is unhappy National Westminster Bank Plc (“NatWest”) won’t reimburse her for the money she lost when she fell victim to a safe account scam.

What happened

The details and facts of this case are well-known to both parties, so I don’t need to repeat them at length here.

In short, Ms G says she fell victim to a safe account scam. On 24 October 2023, she says she received a call from someone claiming to be from NatWest’s fraud team the number on her phone she says showed as “Potential Fraud. Ms G queried this and she was told that this was because the call was from NatWest’s fraud team.

Ms G says the fraudster knew her personal details, including her name, account number and telephone number. The fraudster most likely knew the details as Ms G had unknowingly fallen victim to a TV license ‘phishing’ scam text around a week before.

Ms G explained she was informed that her account had been compromised and someone had tried to access her account from Birmingham and that she would have to secure her account. To do this Ms G installed remote access software and, with the help of the scammer, downloaded an app for a money transfer company that I will call “D”.

At this point Ms G said her son became involved in the phone call and asked that the scammer confirm an earlier transaction on the account to prove that the scammer was actually from NatWest’s fraud team. Ms G said the scammer was able to do this.

Ms G made the following payments firstly from her NatWest account to D. Where the funds were sent on to various overseas accounts. Then the payments were sent to Ms G’s son’s NatWest account and from there onto an account that the scammer seems to have made Mr G’s son also open with D. Again the funds were then sent on to various overseas accounts. The payments from Ms G’s NatWest’s account were as follows;

Transaction Number	Time	Beneficiary	Amount
1	15.09	Ms G’s account with D	£2,890
2	15.13	Ms G’s account with D	£1,110
3	15.16	Ms G’s account with D	£900
4	15.23	Ms G’s account with D	£100

5	16.00	Ms G's sons account with NatWest	£600
6	16.01	Ms G's sons account with NatWest	£500
7	16.02	Ms G's sons account with NatWest	£500
8	16.02	Ms G's sons account with NatWest	£500
9	16.03	Ms G's sons account with NatWest	£500
10	16.04	Ms G's sons account with NatWest	£500

Ms G realised she was the victim of a scam shortly after. Ms G then reported the matter to NatWest to see if it could help recover her funds. NatWest declined to do this.

One of our investigators looked into this and he decided that NatWest should have intervened during payment 7 and that this would have stopped the scam. He did think though that Ms G was equally liable for her loss so he thought that the redress should be reduced by 50%.

NatWest agreed to this but Ms G did not and therefore her complaint has been passed to me to issue 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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

It isn't in dispute that Ms G authorised the disputed payments she made from her NatWest account. The payments were requested by her using her 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 Ms G 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 I don't think that the first 6 payments would be considered unusual. Ms G had made large payments in the past, so the size of the payments would not have stood out as unusual account activity. I can also see that the first 4 payments decreased in size, which is unusual for scam payments. By the time a pattern indicative of a scam began emerging the payee changed from a new payee to an existing payee (from payment 4 to 5). Changing where the payments were going and sending the funds to an existing payee would lower the risk of the payments being linked to fraud. That said, as the payments continued and given how quickly the payments were being made on the same day, I think that when 2 more payments were sent within 2 minutes of each other I think NatWest should really have been concerned about what was occurring and intervened and asked questions about the next payment which was payment 7.

Had NatWest intervened, I see no reason why Ms G would not have told NatWest that she was being asked to make these transactions apparently by NatWest's own fraud team and that she was doing so in order to 'protect the funds' in question. It would have been able to explain that the instructions she'd received were not in fact from NatWest. And given that Ms G thought she was acting on NatWest's instructions, had no desire to lose her money and nothing to gain from going ahead with the payments, it's very likely that she would have stopped, and not followed the fraudster's instructions and her loss would have been prevented.

Ultimately, NatWest didn't question the payments Ms G made. And I've seen no compelling evidence to indicate that Ms G would have misled NatWest about the purpose of the payments or the surrounding circumstances, had it intervened.

So, NatWest should, once it had established why Ms G was making the payments, provided a very clear warning that explained, as a minimum, that it would never ask her to authorise payments she did not make in order to 'protect her account', that phone numbers could be spoofed and that she was likely falling victim to a scam.

I think, on the balance of probabilities, that's likely to have caused Ms G to stop. Again, she didn't want to lose her savings and I can see no reason for her to have continued to make the payment if she was presented with a warning of this nature.

I'm satisfied that had NatWest established the circumstances surrounding Payment 7, as I think it ought to have done given that an unusual pattern of payments was starting to form by then, and provided a clear warning, Ms G's loss from and including Payment 7 would have been prevented.

Should Ms G bear any responsibility for her losses?

In considering this point, I've taken into account what the law says about contributory negligence, as well as what I consider to be fair and reasonable in the circumstances of this complaint.

In this instance I am mindful that scams such as these are sophisticated and compelling. I'm also mindful that Ms G was acting only to protect her funds, rather than because she thought that she would gain a profit.

That said there were a number of clear red flags that should have concerned Ms G. Firstly receiving a call from a number listed as “potential fraud” should have really raised some questions about the legitimacy of the call in the first place. Secondly, I struggle to see how Ms G thought the instructions to send money in Kenyan Shillings to a number of different international beneficiaries could plausibly have been something that NatWest would ever tell her to do. Finally, being told that she had to send funds to her son’s NatWest account and he needed to open a separate account with D and send funds in Kenyan Shillings to international beneficiaries rather than just keep the funds in her son’s account again does not really make sense if the call was really from NatWest’s fraud team. After all, if Ms G son’s account was compromised as well, then I don’t think its reasonable to think that a new account with a provider that she had not heard of before would be a way to protect her money. Also, I can’t see a plausible explanation as to why Ms G’s funds would be safer by being changed into a different currency and being sent to a seemingly random international beneficiary. So overall, I think that Ms G should have realised during the scam that what she was being asked to do was not something that a high street bank in the UK would realistically ask her to do.

So overall, having considered everything I think that Ms G and NatWest should split liability for her loss after and including transaction 7.

I have considered whether NatWest could have recovered the funds but as I can see that they were sent on from D, I don’t think that NatWest could have recovered the funds from D. Also, the Contingent Reimbursement Model (CRM) does not apply due to the final transfers being made in a different currency. So, I don’t think that NatWest could have recovered the funds via other means.

Putting things right

For the reasons I’ve explained, I uphold this complaint about National Westminster Bank Plc in part and instruct it to do the following:

- Refund 50% of payment 7,8,9 and 10
- Pay 8% simple interest per year on the resulting amount, calculated from the date the payments, to the date of settlement.

If National Westminster Bank Plc considers that it’s required by HM Revenue & Customs to deduct income tax from the compensatory interest part of the redress, it should tell Ms G how much it’s taken off. It should also give Ms G a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs, if appropriate.

My final decision

My decision is that I uphold this complaint in part and I instruct National Westminster Bank Plc to pay the redress outlined above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms G to accept or reject my decision before 27 February 2025.

Charlie Newton
Ombudsman