

## **The complaint**

Miss M is being represented by a claims manager. She's complaining about National Westminster Bank Public Limited Company because it declined to refund money she lost as a result of fraud.

## **What happened**

Sadly, Miss M fell victim to a cruel investment scam after responding to information she saw on social media about trading in cryptocurrency. She was then contacted by the scammer, who apparently told her she couldn't lose and would make very large profits, and persuaded to invest.

To fund the scam, Miss M made a total of 42 payments from her NatWest account to a separate account in her own name with an Electronic Money Institution (EMI) between 12 April and 23 May 2024. Most of the money she transferred was subsequently moved on to the scammer from the EMI account, but she did transfer some of it back to her NatWest account.

Our investigator didn't recommend the complaint be upheld. She noted that NatWest did speak to Miss M to question a transfer she tried to make on 1 May but that she didn't answer its questions accurately, meaning it wasn't able to identify a scam was taking place.

Miss M didn't accept the investigator's assessment and her representative made the following key points:

- The fact NatWest called Miss M about a payment request shows it was aware there was risk she was at harm from fraud and its agent actually acknowledged the risks associated with large transfers to EMIs. But its intervention was ineffective. Using its knowledge of different types of scam, it should have asked more open and probing questions and scrutinised Miss M's answers more closely.
- During the call Miss M said she was done with the EMI and just wanted to deal with Nat West going forward. Then only a few days later she began transferring money again. That should have prompted further intervention from NatWest.
- NatWest should have called Miss M into a branch and enacted the Banking Protocol.
- If NatWest had intervened as it should have, the scam would have been uncovered and further losses prevented.
- NatWest's failure to protect Miss M was in breach of the requirement under the Financial Conduct Authority's (FCA) Consumer Duty to prevent foreseeable harm.

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. 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.

There's no dispute that Miss M authorised the payments in question. 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.

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 Miss M.

### *The payments*

NatWest had a responsibility to make the payments Miss M instructed promptly and I think it was reasonably entitled to take some comfort from the fact she was transferring money to another account in her own name. But, as its agent acknowledged during the call on 1 May, this didn't mean the payments couldn't be part of a multi-stage fraud involving transfers to an EMI before money was passed on to a scammer.

Based on what it knew about the initial payments at the time, including the relatively low amounts involved, I don't think NatWest had any particular reason to suspect Miss M was at risk of harm from fraud and I can't say it was at fault for processing them in line with her instructions.

But by 1 May at the very latest, when Miss M requested to transfer £4,300, I think a pattern consistent with many known types of scam had begun to emerge. By this time, Miss M had made 11 transfers to her EMI account with a combined value of around £10,000 in less than three weeks. In view of the risks this payment presented, I think it was right that NatWest opted to call her to discuss the payment further.

While this intervention did cause Miss M to cancel this payment, it didn't uncover the scam or stop later losses. Having listened to the call, I think the intervention was very light-touch.

The call was very short and beyond asking Miss M how long she'd held her account with the EMI and the reason for the payment, NatWest's agent didn't ask further questions that I think would have been appropriate in the circumstances. For example, what type of savings was she making, was she receiving advice about this and who from, would she be moving the money somewhere else from her EMI account and, if so, where.

Setting aside any inadequacies in the call on 1 May, I also find it concerning that NatWest didn't contact Miss M again about any of 31 further transfers to her EMI account over the following three weeks. I don't think it should have been particularly concerned by her comments about being done with the EMI, which appear to be rooted in dissatisfaction with its service around the fraud checks it was carrying out as evidenced in her online conversations with that business. But in view of the velocity of the payments she was making and the high cumulative value, I think further intervention should have been attempted on later occasions.

So, I do agree with Miss M's representative that NatWest should have gone further in its efforts to protect her from fraud. Although I don't think the scam was so obvious to NatWest that it was appropriate to enact the Banking Protocol as has been suggested.

The fact NatWest should have done more is not on its own sufficient to conclude it should refund some or all of Miss M's losses. I also need to consider whether more robust interventions would actually have been successful in uncovering the scam. I've thought very carefully about this and, on balance, it's my view that Miss M would most likely still have wanted to go ahead with the payments.

The effectiveness of any fraud intervention is to some extent dependent on the customer's co-operation, particularly in answering questions they're asked truthfully. If a customer tries to hide the real reason for a payment, that can make it much more difficult for a bank to identify a scam might be taking place and provide relevant warnings.

While NatWest didn't ask many questions of Miss M, the answers she gave to those it did ask weren't accurate. In particular, she said she'd held an account with the EMI for over a year, when she'd actually opened it about three weeks earlier. It's a common tactic for scammers to tell victims to open an account with an EMI to facilitate payments to a scam and I would have expected NatWest to have been more concerned if it had known this was a newly-opened account. But the fact Miss M didn't disclose that means that opportunity to uncover the scam was lost.

As I've said, I think NatWest should have questioned what Miss M was doing much more deeply. But I find the available evidence shows she was intent on hiding the real reason for the payment and showed a real determination to continue with payments regardless of any attempted intervention. In addition to her response to the call from NatWest, this view is based on multiple interactions with the EMI, which did ask many more questions about the payments she was making.

Miss M has made a separate complaint about the EMI and I've referred to its fraud interventions in more detail in my decision on that case. But in short, Miss M spoke to its agents using the in-app chat function on multiple occasions. During those conversations, she went to great lengths to hide the real purpose of the payments she was making. For example, she claimed payments were being sent to a family member to help secure a property and even provided documents relating to the purchase of her property to try and evidence this. In respect of later payments, she said she was giving money to a family member who was experiencing financial difficulty.

Despite some probing questions from the EMI's agents, Miss M stuck to the stories she was telling. A partial record of her online chats with the scammer has been provided and this shows she was communicating with the scammer at the same time as she was chatting with the EMI and that she was being told how to answer its questions. It's unfortunate that she chose to follow the advice of the scammer rather than co-operate with the EMI's interventions, which it did explain were intended to protect her from potential scams. But the fact she did that means it was much harder for the EMI to identify what type of scam might be taking place and provide tailored and potentially more impactful warnings.

As I've said, I think Miss M also showed a real determination to continue making payments despite the obstacles that were being put in her way. For example, towards the end of April the EMI questioned her about a number of payment instructions and the chat history shows she became irritated with this process and cancelled a series of transfers or allowed them to be timed out. But rather than take notice of its warnings, she opted to make payments via another method (exchanging money into cryptocurrency with the EMI and transferring that to the scammer) to ensure they went through.

I've no reason to think Miss M would have been any more co-operative if NatWest had asked further questions of her during the call on 1 May or at any later intervention it might have attempted. It didn't know where the money was ultimately going after it reached the EMI and unless Miss M actually provided that information, which all available evidence indicates she wouldn't have done, it's difficult to see how NatWest could have identified the type of scam that might be taking place in order to provide an impactful tailored warning. Even if it had taken the quite extreme decision to decline payments altogether, the determination Miss M showed to continue paying to the scam despite the interventions of the EMI suggests she would probably have found another way of doing this.

This all leads me to the conclusion that further interventions by NatWest wouldn't have prevented Miss M making payments to the scam.

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

Finally, I have noted the comments of Miss M's representative about the Consumer Duty and I've taken account of NatWest's obligations following its introduction, but I don't think this changes the outcome here. While NatWest was expected to avoid causing her foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm she suffered, nor do I think that harm was reasonably foreseeable given the information Miss M was willing to disclose about the payments she was making.

### *Recovery of funds*

I've also looked at whether NatWest could or should have done more to try and recover Miss M's losses once it was aware that the payments were the result of fraud.

It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery. Further, the money went to an account in Miss M's name and NatWest could only try to recover money from that account. By the time it became aware of the fraud, it appears the money had already been moved on and, if not, anything that remained was still available to her to access. In the circumstances, I don't think anything that it could have done differently would likely have led to these payments being recovered successfully.

### *In conclusion*

I recognise Miss M has been the victim of a cruel scam and I'm sorry she lost such a large amount of 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 Miss M to accept or reject my decision before 14 August 2025.

James Biles  
**Ombudsman**