

The complaint

Ms A has complained that her bank, National Westminster Bank Public Limited Company (NatWest), has refused to refund all the money she lost when she fell victim to a scam.

What happened

In February 2024 Ms A was contacted by scammers who said they were calling on behalf of His Majesty's Revenue and Customs ('HMRC') and that she was being investigated for tax evasion.

Ms A said the scammers persuaded her to take £750 out of her existing NatWest account and pay it into another account with a different bank ('H') which the scammers opened in her name. They also persuaded her to set up a new account with an electronic money institution ('W') in her own name which they told her to transfer £2,000 to.

Ms A said the scammers told her that if she didn't follow their instructions, she would be prosecuted for tax evasion. They also sent her a letter, allegedly from HMRC, through a messaging service which she thought was genuine. She said she became extremely worried and agreed to make the payments. She was already concerned about her finances as she had a large payment (for around £2,400) come out of her account in January 2024 when she had to pay for someone else's car finance.

After she transferred the money, Ms A said she realised she had been scammed and reported the matter to NatWest. NatWest paid Ms A £50 to help her while she had no money in her account and a week later it refunded the £750 payment as a gesture of goodwill. But it refused to refund the £2,000 and told Ms A she would have to contact W instead. It said that because the £2,000 was sent to an account which was in Ms A's name, NatWest wasn't the point of loss. It added that as the payments were made to accounts in Ms A's name, the Contingent Reimbursement Model (CRM) Code would not apply. NatWest said it didn't consider the payments to have been so out of character that it had to intervene or warn Ms A that she could be the victim of a scam and added that Ms A failed to do any due diligence and didn't check the number that called her or question why she was told she owed money.

Unhappy with NatWest's response, Ms A brought her complaint to our service. She said she believed that NatWest should have reimbursed her in full especially as it is one of the CRM signatories, something she was previously unaware of. She added that the £2,000 payment was highly unusual for her account. This, in addition to the fact that it was paid to a new payee, should have alerted NatWest to the possibility of a scam.

One of our investigators considered the complaint but didn't think NatWest had to take further action. Our investigator didn't think that either payment seemed so unusual or suspicious to warrant intervention from NatWest.

Ms A didn't agree and asked for an ombudsman's decision. She said the number that called her was still active and had been reported thousands of times over the previous five years as being linked to a scam. She said she is blameless and feels that her case fits the new mandatory reimbursement code. Ms A said she was vulnerable, and her case should be reconsidered bearing this in mind as well as the fact that she is a foreigner. She said she is a single parent of two and £2,000 is equivalent to her monthly salary.

Our investigator clarified that the new code applies to payments made after October 2024 and then passed the matter to me to decide.

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, guidance and standards, codes of practice, regulators' rules and where appropriate, I must also take into account what I consider to have been good industry practice at the time.

The starting position in law is that a bank like NatWest is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. There is no dispute here that Ms A authorised the £750 and £2,000 payments and so she is presumed liable for them in the first instance. However, that isn't the end of the story. Good industry practice required NatWest to be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. And on identifying such payments, I'd expect it to intervene in a manner proportionate to the risk identified.

Furthermore, at the time when the transactions were made, NatWest had an obligation to act to avoid causing foreseeable harm to customers, for example, by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including its contractual terms, enabled it to do so. And in some circumstances to take additional steps, make additional checks or provide additional warnings before processing a payment. I'd also expect NatWest to be mindful of common scam scenarios and different risks these can present to consumers when deciding whether to intervene.

There is no dispute that Ms A has fallen victim to a cruel scam. When I consider cases like this – I am looking at whether the bank – who was not party to the scam itself – should have done more. It doesn't automatically follow that NatWest is liable for a loss or all of the losses, just because a customer is a victim of fraud.

So, I have gone on to consider whether NatWest should have recognised that Ms A was at risk of financial harm from fraud and whether it should have intervened. In doing so I have considered the transactions Ms A made on her account in the 12 months that preceded the

scam.

The first payment for £2,000 was going to an account in Ms A's own name. I appreciate it is a lot of money to Ms A - but the bank processes transactions like this all the time. There is a balance to be struck between banks identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

As Ms A has mentioned already, there was a payment for around £2,400 made out of the account only a month before the transactions in question. So the £2,000 to an account in her own name didn't obviously look like a fraud or scam.

Overall I don't think that the amounts involved were, on their own, so out of character that NatWest should have considered Ms A might be at risk of financial harm from fraud.

As I don't consider that NatWest should have contacted or issued a warning to Ms A before the £2,000 payment was released, I don't think NatWest did anything wrong and so it doesn't need to reimburse Ms A.

NatWest said the subsequent payment for £750 which was made shortly thereafter on the same day, was flagged for a check. It said that a text was sent to Ms A to confirm that it was her who had made the payment and Ms A confirmed that it was. Although I don't think that £750 was an unusually high amount, NatWest agreed to refund this sum – so I haven't considered this any further.

In her complaint to us, Ms A also referred to NatWest's obligations under the CRM Code. I should explain that although NatWest is one of the signatories to the CRM Code it doesn't mean that all payments coming out of its accounts are subject to this code. The CRM Code, does not apply where the payments are made to an account which belongs to the same customer and which they have access to. As I said above, Ms A opened the account with W herself, the account was in her own name and she was able to access it. In the circumstances, I don't think the CRM Code would apply here.

I've also considered whether NatWest should have done more to recover Ms A's funds. NatWest said that it wasn't possible to recover the £2,000 as the account with W was also in Ms A's name which would have meant raising a fraud case against its own customer. It also said that it wasn't able to trace where the funds went to after they left the account and that this would have been a matter for W. I think this is fair and reasonable and I also note that Ms A said that she transferred the money from her account with W to an unknown account before she reported the matter to NatWest. It follows that, even if NatWest had tried to recover the funds from W it wouldn't have been successful as the funds had already left that account.

Ms A has said that she was vulnerable at the time and that she had been under financial stress due to the large car finance payment which had left her account in January 2024. She also said that as a foreigner she was more susceptible to such a scam. I have listened to Ms A's calls with NatWest and I can see how distressed and upset she was. NatWest asked whether she had any vulnerabilities but she didn't provide any at the time. Nevertheless, the second call handler she spoke to made sure that a £50 goodwill payment was made and provided Ms A with instructions how to take emergency cash out. And I also note that it

refunded the £750 as a goodwill gesture and not because it felt it had made any errors. In the circumstances, I think its actions were fair and reasonable.

I appreciate Ms A will be very disappointed with my decision. I understand how hard this situation must be for her but for the reasons I have already given I don't think NatWest is responsible for the loss she has suffered.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 15 July 2025.

Anastasia Serdari
Ombudsman