

The complaint

Miss T complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) has not refunded the money she lost to what she believes was a scam.

What happened

Miss T was looking to buy a vehicle. She found one that matched her needs on a well-known website and got in touch with the seller. The seller said the vehicle had never been in an accident, and that it came with a warranty. Miss T paid £5,400 for the vehicle, to a personal account in the seller's name, and collected it in person. But when Miss T had the vehicle checked over by a mechanic, she says the mechanic told her it was not safe to drive. Miss T discovered that the vehicle had previously been in an accident, and has since spent a significant sum on repairing the vehicle, including bodywork repairs and repairs to the gearbox.

Miss T told the seller about these issues, but while they initially asked her to send photos of the damage to the vehicle, they then stopped responding to her. Miss T reported what had happened to Action Fraud, and to NatWest, as she feels she has been the victim of a scam. NatWest looked into Miss T's claim but did not agree that it was liable for her loss. It said this issue was a civil dispute between Miss T and the seller, and so said it would not be refunding her loss.

Unhappy with NatWest's response, Miss T brought her complaint to this service and one of our investigators looked into things. But they felt it was fair for NatWest to have said that this was most likely a civil dispute, and so Miss T were not entitled to a refund of the payments made. Miss T remained unhappy, so, as the case could not be resolved informally, it's been passed to me for a 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.

Having done so and having thought very carefully about NatWest's actions, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Miss T but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold NatWest liable for her loss.

This is because not all cases where individuals have lost sums of money are in fact fraudulent and/or a scam. So, whilst I understand why Miss T feels she has been scammed, there is a high legal threshold or burden of proof for fraud and there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties and for a dispute to exist.

When considering what is fair and reasonable in this case, I've thought about the Contingent Reimbursement Model Code (the CRM Code) which NatWest has signed up to and which was in force at the time Miss T made this payment.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam. So, I've thought about whether the CRM code applies in the circumstances of this complaint, and whether NatWest therefore ought to reimburse Miss T under the provisions of the CRM Code.

The CRM Code only applies in very specific circumstances – where the customer has been the victim of an APP (authorised push payment) scam. Under the CRM Code, an APP scam is defined as:

“...a transfer of funds...where (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or (ii) The customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”

The CRM Code is also quite explicit that it doesn't apply to all push payments. It says:

“DS2(2) This code does not apply to:

(b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier.”

Fraudulent isn't defined in the CRM Code, but as the CRM Code specifically excludes civil disputes, I think I need to consider, as a first step, whether this was a scam (where a scammer takes money from a customer for no legitimate purpose) or a civil dispute (where a payment is made to a legitimate trading company or individual, but there is some dispute about the goods or services that should have been supplied).

If this was a scam, or fraud – then banks (including NatWest) must follow industry and regulatory guidance, including the CRM Code, to check certain payments and in some circumstances, protect customers by stopping the payments and contacting customers about them. And where banks haven't followed the guidance, they can be asked to refund them. But where payments are made for a legitimate reason, then such principles don't apply. This is then classed as a civil dispute, and for which banks normally have no liability.

Having thought very carefully about all that Miss T has said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty, based on what I know and what the evidence shows, that the seller set out with an intent to defraud Miss T.

I say this for the following reasons:

- Miss T did receive the vehicle she was expecting to buy.
- While the car had previously been written off following an accident, that does not mean that it could then never be repaired and resold.
- The evidence Miss T has provided showing that the car was sold as 'not roadworthy' is from 2022, two years prior to when she purchased the car, and we do not know what repairs were carried out on the car in the intervening period and it is certainly possible that repairs had been done to the vehicle after it was declared un-roadworthy but before it was sold to Miss T.
- The vehicle was written off in May 2022, but passed its MOT in November 2022, November 2023, and December 2024. This again suggests it was roadworthy at

those times.

- While the company named on the invoice for the car does not seem to exist, Miss T did not pay that company, she paid an individual, the same individual she and her son had been dealing with about the sale.
- While it appears the police are investigating the seller, I have seen nothing to show the outcome of any investigation, nor have any charges been brought against the seller.

I acknowledge that the seller does appear to have given Miss T some misleading information about the vehicle, including about its accident history and the warranty they said applied to the vehicle. But I don't think that means that the circumstances here meet the high legal threshold to say that Miss S has been the victim of fraud. A business or individual may act unprofessionally but still be carrying out legitimate business. And this service isn't in a position to forensically analyse the seller's actions here; we must consider the evidence that is before us. And, in doing so, I've not seen persuasive evidence that the seller set out to defraud Miss T. Instead, it seems to me that what we have here is a dispute about the condition of the goods Miss T was supplied with, and that, in my mind, falls into the definition of a civil dispute as set out in the Code.

I know this will be a huge disappointment to Miss T. I appreciate how strongly she feels about this case, and that she has lost a significant amount of money here. But for the reasons I've explained above, I do not consider that the payment in dispute here is covered under the CRM Code, or that it would be fair to hold NatWest responsible for the money lost under any of the other relevant regulations or guidance.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 10 July 2025.

Sophie Mitchell
Ombudsman