

Complaint

Mrs S is unhappy that National Westminster Bank Public Limited Company (“NatWest”) didn’t reimburse her after she told it she’d fallen victim to a scam. Mrs S has brought this complaint with the assistance of a professional representative, but for simplicity’s sake, I’ve generally referred to Mrs S in the text of this decision.

Background

The circumstances surrounding this complaint aren’t entirely clear. As I understand it, in December 2019 Mrs S invested £10,000 in a company that I’ll refer to as M. That payment was to purchase a bond that paid an annual return of 18%. The following month she started to receive a monthly payment of £150 – i.e. the monthly equivalent of the returns she was expecting. Those payments then reduced and stopped and, ultimately, M went into liquidation in 2023.

In March 2024, Mrs S complained that she was the victim of a scam and asked that NatWest refund her losses. It didn’t agree to do so – it said that this was a private civil dispute and so it wasn’t liable to refund her.

Mrs S wasn’t happy with that response and so she referred her complaint to this service. It was looked at by an Investigator who didn’t uphold it. The Investigator wasn’t persuaded that the evidence showed that Mrs S had fallen victim to a scam. Mrs S disagreed with the Investigator’s view and so the complaint has been passed to me to consider and come to a final decision.

Findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

However, that isn’t the end of the story. Good industry practice required that NatWest be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I’d expect it to take steps to protect their customer. That might be as simple as providing a written warning as part of the payment process or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

However, there is no expectation on NatWest to proactively intervene if that payment isn’t made in connection with fraud. For me to make a finding that NatWest should’ve intervened here, I’d first need to be persuaded that the evidence shows that it’s more likely than not that Mrs S is the victim of a scam, rather than having a purely civil dispute with M. Whether Mrs S is the victim of fraud fundamentally depends on what the intentions of the company were at the time she invested. I can’t know what those intentions were, and so I have to look at the

other available evidence to see if it enables me to draw inferences as to what its intentions likely were.

Unfortunately, Mrs S has provided very little evidence to support her contention that M was fraudulent. The fact that she initially received her monthly dividend, but that stopped isn't automatically an indication of fraud. It's equally possible that the company she'd invested with was mismanaged to the point that it failed. I can see an email in 2022 from someone connected to the fund apologising for the fact that dividend payments had stopped. It says this was attributable to the fund experiencing difficulties during the coronavirus pandemic but that it was expected that activity would ramp up soon and payments would recommence.

In view of that, it seems more likely that M experienced difficulties that eventually forced it to cease trading. Mrs S would still be a creditor of the company and might have been able to recover some of her money through the insolvency process but it wouldn't entitle her to have her losses reimbursed by NatWest.

Final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 16 April 2025.

James Kimmitt
Ombudsman