

## **The complaint**

Mr T complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't reimburse him for payments he made to a scam.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In February 2024 Mr T saw information on social media that encouraged him to invest in cryptocurrency. He made several payments from his NatWest account to a cryptocurrency exchange wallet he set up in his name with a cryptocurrency exchange company who I will call 'C'. He says this was a scam and he complained to NatWest that they should have flagged the payments as suspicious.

NatWest didn't think there was unusual activity that would have suggested to them that something may be going wrong. They thought the sums involved were similar to other genuine transactions Mr T had authorised from his account.

Mr T referred his complaint to us and our investigator provided his view. He also didn't think there was anything unusual. He didn't think any of the transactions were of such value, or volume that NatWest should have considered an intervention. The investigator didn't think NatWest could fairly be considered responsible for the losses Mr T incurred.

Mr T didn't agree with the investigator. He explained that he wasn't a regular user of C and that his pattern of payments should have raised concerns with NatWest that he was likely to be the subject of a scam. He said they should have alerted him to that; that the payments he made were mainly over the period of one week and that it was the pattern of payments and not the value of those payments and the fact they were being made to a cryptocurrency exchange, that meant NatWest should have intervened. He asked for a decision by an ombudsman.

## **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.

I was very sorry to hear that Mr T had lost money in the way that he did. I appreciate how distressing and frustrating it must have been for him but that doesn't automatically mean NatWest should refund him and I don't think that here it would be fair to ask them to do so. I'll explain why.

The Financial Ombudsman is designed to be a quick and informal alternative to the courts. Given that, my role as an ombudsman is not to address every single point that has been made. Instead, it is to decide what is fair and reasonable given the circumstances of this complaint. And for that reason, I am only going to refer to what I think are the most salient

points. But I have read all of the submissions from both sides in full and I keep in mind all of the points that have been made when I set out my decision.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

I'm required to take into account the relevant, laws and regulations; regulators rules, guidance, and standards; codes of practice and, when appropriate, what I consider to have been good industry practice at the relevant time.

Broadly speaking, Mr T is responsible for any payments made from his account which are properly authorised, as they were here. And NatWest has a duty to process valid payment instructions quickly and with minimal friction. These positions are set out in the Payment Service Regulations (2017).

However, taking into account the relevant law, regulations, industry guidance, and best practice, firms like NatWest ought fairly and reasonably to have systems in place to monitor transactions and accounts for signs that its customer might be at risk of financial harm through fraud. Where such risks are detected, there ought to be action from the bank to intervene through the giving of warnings and scam education. Any intervention should be proportionate to the risk presented by the circumstances of the payment. Mr T made these payments after the inception of the Financial Conduct Authority's (FCA) Consumer Duty, which puts an obligation on firms to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams.

NatWest should also have been aware of the increase in multi-stage fraud (including those involving cryptocurrency) when considering the scams that its customers might become victim to. Multi-stage fraud involves money passing through more than one account under the consumer's control before being sent to a fraudster. Our service has seen a significant increase in this type of fraud over the past few years and it's a trend the bank ought fairly and reasonably to have been aware of at the time of the scam.

Scams involving cryptocurrency have also increased over time. The FCA and Action Fraud published warnings about cryptocurrency scams in mid-2018 and figures published by the latter show that losses suffered to cryptocurrency scams have continued to increase since. They reached record levels in 2022.

I think NatWest would have been aware at the time both of these payments were made that fraudsters use genuine firms offering cryptocurrency as a way of defrauding customers (these scams often also involve money passing through more than one account). So, NatWest should have been alert to whether these payments were part of a wider scam. The fact that the money used to fund the scam wasn't lost at the point it was transferred to Mr T's own account with C, before it was converted into cryptocurrency, does not alter the fact that I think NatWest could fairly be held responsible for Mr T's loss in such circumstances.

Where there is a failure by a firm to properly intervene and protect a customer, it might then be fair and reasonable to say that the firm becomes responsible for the customer's loss. And so, in Mr T's case, it's for me to determine if NatWest made an error(s) over the course of the scam and, if so, whether it's fair and reasonable for it to be held responsible for Mr T's losses as a result.

I'm not 100% sure a scam did take place here because Mr T hasn't provided sufficient evidence of that. Mr T seems to say that he was scammed by C but to be clear that

cryptocurrency exchange is a genuine firm. I can see, from the bank statements I've been provided, that the payments Mr T transferred to his account went to the genuine firm, and not someone pretending to be them.

But even if I was to find that a scam took place, I'm not satisfied NatWest would've considered the payments unusual enough to stop them and ask Mr T further questions. The bank statements suggest this was the first time Mr T had made payments to a cryptocurrency exchange, and I've already explained why that may be considered high risk. But that isn't the only thing we consider when thinking about what may or may not be an unusual payment/s. The payments Mr T made to his account with C were not unusual in value. There were other similar sized, genuine, recent transactions. The payments were reasonably spaced out over a period of a couple of weeks and all of them were sent over a month and a half. In total Mr T sent a little over £2,700 to C over that period and I don't think that should have been seen as unusual by NatWest. He made a further payment of £1,000 to another account in his name but I don't think it would be fair to suggest NatWest could have understood that payment was linked to those being made to C. I wouldn't expect NatWest to stop and ask questions of every single transaction a customer sends to a cryptocurrency exchange, that would create undue friction to the banking process. I don't think NatWest, therefore, did anything wrong and I don't think it would be fair to hold them responsible for Mr T's loss.

I've thought about whether NatWest acted reasonably when it was made aware of the scam. They were made aware of it in May 2023, several months after the transactions took place. Mr T confirmed to NatWest that the funds were sent to a wallet in his name before being forwarded to the scammers. So, NatWest wouldn't have been able to recover any of his funds and I don't think it treated him unreasonably here.

As payments were made using a debit card, I've considered whether NatWest should have considered making a claim to recover the funds through the chargeback scheme. That scheme isn't guaranteed to result in a refund, and I'd only expect NatWest to raise a chargeback if it was likely to be successful. As Mr T transferred the money to himself, he got the service he expected. The scam, if any did occur, wouldn't have occurred until the money was exchanged for cryptocurrency. I don't, therefore, think there was a reason a chargeback would have been successful and I don't think NatWest were unreasonable not to process one.

Ultimately, while I have sympathy for Mr T's situation, I can't fairly ask NatWest to reimburse his losses.

### **My final decision**

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

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

Phillip McMahon  
**Ombudsman**