

## **The complaint**

Mr S complains that National Westminster Bank Public Limited Company (“NatWest”) didn’t refund him money which was sent to one of its account holders, as part of what he believed to be an Authorised Push Payment (“APP”) investment scam.

Mr S has also complained to his own bank, from where he sent the payments. I have considered that complaint separately. This decision considers his complaint about NatWest only.

In bringing his complaint to this service Mr S is represented, but for ease of reading I will refer to Mr S throughout this decision.

## **What happened**

The background to this complaint is well known to all parties, so I won’t repeat it all in detail here. But in summary, I understand it to be as follows.

In April 2023, Mr S met an individual, who I’ll refer to as ‘J’. Mr S spoke to J for some time and the conversation turned to the topic of trading, with J telling Mr S that he was a trader dealing with stocks and shares. J showed Mr S screenshots, which detailed their trading account and trades.

Mr S has said he was looking to invest at the time and decided to take the opportunity to invest with J. He received a ‘conditions of trade’ document from J and then went ahead and made two payments to J, from an account he held with a different bank, to an account J held with NatWest.

In the subsequent months Mr S did receive some returns from J. However, he’s said he became concerned when the returns stopped and J began to make excuses. Leading Mr S to suspect that he had been the victim of a scam. He says he didn’t receive back all of what he’d paid and didn’t receive the returns that he was promised.

Mr S complained that NatWest had failed to protect him from fraud. He said it had failed to properly verify its account holder, allowing a fraudster to be onboarded who then scammed him. He said the conduct of the accounts would have been concerning and that NatWest failed to prevent a fraudster from sending huge sums of fraudulently obtained money.

NatWest looked into Mr S’ complaint but didn’t uphold it. In summary, it didn’t agree that there had been a bank error.

Unhappy with NatWest’s response, Mr S brought his complaint to this service. One of our Investigator’s looked into things, but didn’t think the complaint should be upheld. In summary, they felt that there was not enough evidence to say a scam had occurred and did not think NatWest were obliged to return the funds.

As agreement couldn’t be reached, the complaint has been passed to me for a final 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.

I'm sorry to hear about what's happened to Mr S and that he has lost a significant amount of money. However, after considering everything carefully I don't think NatWest has acted unfairly or unreasonably in its answering of his complaint. I'm satisfied NatWest isn't liable to refund Mr S' loss. I know this will come as a disappointment to Mr S, so I will explain why.

NatWest was signed up to the Contingent Reimbursement Model (CRM Code). The CRM Code sets out what is expected of the 'Sending Firm' and 'Receiving Firm' (in this case NatWest) when payments are made or received.

In summary, the obligations for the receiving firm state that firms should:

- Take reasonable steps to prevent accounts from being used to launder the proceeds of Authorised Push Payment (APP) scams.
- Have procedures to prevent, detect and respond to the receipt of funds from APP scams; and
- Where the receiving firm identifies funds where there are concerns that they may be the proceeds of an APP scam, it should freeze the funds and respond in a timely manner.

So, with this in mind, I have carefully considered NatWest's obligations here. It should be noted that NatWest has shared information with this Service as part of its obligations under the CRM code, which has allowed me to investigate Mr S' complaint – though I am limited to what I can share with Mr S due to Data Protection laws, as this information is confidential. However, I would like to reassure him that I have carefully reviewed all information provided before issuing my decision.

Where there is a failing by either the Sending Firm or Receiving Firm, they may be required to reimburse the customer, and the customer may also be required to share some responsibility for the loss if it is determined that they also failed to meet their level of care under the CRM Code. The CRM Code provides additional protection for victims of APP scams. However, the CRM Code is only relevant if I'm persuaded Mr S did fall victim to a fraud. The Code specifically doesn't cover certain types of disputes. It says:

*"This Code does not apply to...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".*

I have already provided Mr S an in-depth assessment—in his complaint against the sending bank—setting out why I find it more likely than not that this matter falls under the definition of a private civil dispute within the scope of the Code. So, I don't intend to repeat myself here.

As I have concluded this to be a civil dispute between Mr S and J, rather than a fraud committed against him, NatWest has no obligation to reimburse Mr S his loss under the Code. Nor did it have an obligation to send his funds back to the sending bank once it was notified of the alleged fraud (albeit it's worth noting that, by the time Mr S reported the matter, the money Mr S paid had already left the receiving account).

Due to the above findings that I have already made, there was no basis for NatWest to have intervened in the operation of the recipient account or to have prevented the funds from leaving it. I therefore find that NatWest have not acted in error here.

I should be clear that I'm not ruling out the possibility that Mr S was the victim of a scam here. I understand Mr S has said he's heard that J had been arrested. I've not seen any evidence to show that the police have taken any action, or indeed whether J's arrest was in connection with the matters involving Mr S. That might change. If it later transpires that the police do pursue a substantive investigation into J, or if other evidence comes to light that might alter the balance of the evidence I've described in this decision, it should be made available to NatWest first so that it can reconsider its decision (and Mr S may ultimately be able to refer the issue back to this service if he is unhappy with NatWest's response).

I don't say any of this to downplay what Mr S has been through. I have a great deal of sympathy for him and the position he's found himself in. However, my role is to look at the actions and inactions of NatWest and I'm not persuaded that it acted unfairly in deciding to treat this as a private civil dispute.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 August 2025.

Stephen Wise  
**Ombudsman**