

## **The complaint**

Miss G says National Westminster Bank Public Limited Company (“NatWest”) failed to protect her from financial harm.

Miss G has appointed a professional representative who has brought this complaint on her behalf. However, for ease, I will simply refer to “Miss G” throughout my decision, even when referring to submissions made by her representative.

## **What happened**

The facts of this complaint are well known to both parties, so I won’t repeat them in detail here.

In short, Miss G says she invested £100,000 to scam company (who I will refer to as “T”) in March 2019 with a promise of 12% returns annually. She paid a £23 fee for making the CHAPS payment in branch. However, she says she never received any return on her investment and the company she invested in went into administration in December 2021. So, she has lost all her money.

Miss G says she realises now that the company were running a “Ponzi” scheme, or similar scam, which she fell victim to. Miss G says the payment was out of character to her normal spending so NatWest should have done more to protect her finances, such as provide warnings about such scams. Miss G also claimed she received poor customer service, and for that she would like £1000 compensation.

NatWest considered Miss G’s complaint but felt that what happened here didn’t amount to scam, instead it was an investment which went bad. And NatWest says it can’t be held responsible for the money Miss G lost because of a bad investment.

Our investigator considered this complaint but decided not to uphold it. She too was not persuaded a scam had taken place here. Miss G wasn’t happy with this outcome, so 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.

Having done so, I agree with the conclusions reached by the investigator and have decided not to uphold it. I’ll explain why.

There is no dispute here that the transaction in dispute was authorised as defined by the Payment Services Regulations 2017. Miss G made this payment in a NatWest branch after providing her valid ID and instructions to make the payment. Generally, consumers are liable for payment transactions they have authorised. However, there are regulatory requirements and good industry practice which makes it clear that banks ought reasonably to protect consumers from the risk of financial harm, including fraud and scams. But it would only be

reasonable to conclude NatWest should've warned Miss G about the risk of such financial harm if there is sufficient evidence that this was a scam.

So, I would first need to be satisfied that T were operating a scam when the disputed payment was made in March 2019. The relevant part of the CRM Code provides a definition of an APP scam which requires that the payment was made to: "another person for what they believed were legitimate purposes, but which were in fact fraudulent."

As I understand it, Miss G made this payment for the purpose of investing in a property development project run by T. And from the information and records we have received about T in the past, it seems it was looking to complete the property development projects it advertised. Following a review of the information supplied by both parties, as well as information provided by third parties, I don't think the evidence demonstrates that the company Miss G paid never intended to act in line with the agreement made or pay the funds described in the contract. So, I've not seen any evidence that T had the intention to scam investors, and the purpose of Miss G's investment wasn't aligned with T's purpose for the investment.

Having reviewed all the information received from all parties and reviewing information online, I'm aware T completed three separate development projects. These were in Newcastle, Milton Keynes and Manchester. It also had other projects it was working on but went on to sell to other developers after coming into financial difficulty. I think this is evidence T were operating as a genuine business, funding and completing multiple development projects. I wouldn't expect a company that intended to scam investors to complete on three different projects that would involve a large amount of investment and management to do so.

One of the allegations our service has considered against T is it was paying unregulated introducers a very high commission, and this made the rate of return offered to investors highly unlikely. This doesn't necessarily mean T was a scam. Whether the introducers were unregulated or not also doesn't give any indication as to whether T were intending to scam investors. Although consumer's may not have been aware of the commission that was being paid to introducers, this doesn't mean T weren't intending to invest money into development projects and attempt to make a profit and provide the relevant returns to investors.

I'm aware T hasn't filed accounts since 2018 and their accounts haven't been audited in this time. While I understand Miss G's concerns around this, I don't think this is persuasive evidence T was intending to scam investors. While this may be an example of financial mismanagement, it isn't evidence T intended to scam investors. In this same period, T were working on and completing property developments across the country, so I don't think the mismanagement of the accounts is evidence they were never intending to use consumer's funds for development projects.

While a number of allegations have been made against T, I've not seen any evidence that Miss G's funds weren't used for the intended purpose. I'm aware of T completing on multiple development projects and attempting to deliver on several others. The evidence suggests to me that the funds obtained by the recipient were used for the purpose of property development and so this wouldn't meet the definition of an APP scam.

It is possible that further evidence may come to light at a later date, which may indicate T was operating a scam. Should such evidence come to light, then Miss G can complain to their bank again, and refer the matter to this office, should they not be happy with the outcome.

Miss G has also complained about the poor customer service received from NatWest,

however, she hasn't provided any details about what she is unhappy with, besides from the distress and inconvenience of making her complaint. However, some effort and inconvenience is to be expected when making a complaint, and I haven't seen any evidence of poor customer service from NatWest which would warrant further compensation.

So overall, I'm not persuaded there's enough evidence to suggest that T can be said to have been fraudulent or operating a scam at the time Miss G made her payment. As a result, I can't say NatWest have done anything wrong in not providing her any scam warnings here. There was the inevitable risk of Miss G's investment returning a loss based on market performance, or the company going into liquidation. But NatWest isn't required to protect its consumers from the risk of financial loss due to investment advice or bad bargains. Therefore, I don't consider NatWest acted unfairly by failing to intervene.

### **My final decision**

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 6 November 2025.

Sienna Mahboobani  
**Ombudsman**