

The complaint

Mrs J complains that National Westminster Bank Plc (NatWest) won't refund the money she lost to a scam.

What happened

Mrs J was contacted by a fraudster who tricked her into making a series of payments towards a 'money making scheme' which involved Mrs J rating hotels for a commission. Mrs J completed a series of 'tasks' on a platform to earn a commission of £15. The fraudster used remote access to help Mrs J open an account with a cryptocurrency platform (that I'll call B), so that Mrs J could access her commission. The fraudster encouraged Mrs J to complete more tasks to increase her commission. Mrs J didn't want to proceed, but she felt she had to continue when the fraudster said her children's names.

When Mrs J attempted to stop, the fraudster said her account went into a negative balance. As the fraudster had supposedly cleared this for Mrs J, this meant she now owed the fraudster money. Despite Mrs J's objections, she felt compelled to proceed because the fraudster had knowledge of her children's names, where they went to school and their address. The fraudster also said she'd visit Mrs J's home to retrieve what she owed her.

Mrs J says she was unable to pay her B account directly from NatWest. So, the fraudster told Mrs J to open an account with an Electronic Money Institution (Firm R). Mrs J alleges the fraudster opened this account in her name, and says she had no access to it until 13 June 2023. Mrs J was tricked into making a series of payments to clear supposed negative balances on her task account, which continued to arise each time Mrs J made a payment.

The payments were made from NatWest to Mrs J's Firm R account, and from there to Mrs J's B account, before being sent to the fraudster. In total, Mrs J made five successful payments from NatWest to Firm R totalling £5,000. I've listed these in a table below:

	Date & time	Transaction	Amount
1	10/6/23 13:27	Payment from NatWest to Firm R	-£375
2	10/6/23 14:20	Payment from NatWest to Firm R	-£550
3	10/6/23 14:40	Payment from NatWest to Firm R	-£1,041
4	10/6/23 15:39	Payment from NatWest to Firm R	-£1,439
5	10/6/23 17:30	Payment from NatWest to Firm R	-£1,595
		Total debits	£5,000

After Mrs J had made the above payments from her NatWest account, two further card payments were made from Mrs J's credit card (with Bank B) to another cryptocurrency platform account (platform S) in Mrs J's name as part of the scam. Mrs J's Firm R statements show that those funds were returned from platform S to Firm R, and they were subsequently sent from Firm R to the fraudster via Mrs J's B account. However, Bank B has since refunded the two payments made from Mrs J's credit card to platform S.

On 13 June 2023, Mrs J says she could no longer continue with further payments, so she called the police and reported what had happened to NatWest and Firm R. A separate investigation was conducted into Firm R by our service. That resulted in Mrs J receiving a refund of £3,329 – of which £3,034 was funded by the disputed payments from NatWest. That means Mrs J's outstanding loss in relation to the NatWest transactions sits at £1,966.

NatWest declined to refund Mrs J's loss. It said each time it discussed the payments with Mrs J, she said she was sending the funds to her own account to 'treat herself' as it was her birthday. So, NatWest says it did all it could to prevent Mrs J's loss. It says Mrs J ought to have ceased contact with the fraudster when they became threatening, and she should have been concerned that she was asked to lie.

Our Investigator didn't uphold Mrs J's complaint. They said that Mrs J discussed the payments with NatWest and wanted to proceed, despite questioning. And based on what Mrs J said the payments were for, they didn't think NatWest could have reasonably uncovered the scam.

Mrs J didn't agree with this as she maintained that NatWest ought to have done more to prevent her loss. In summary, she made the following arguments:

- Payments 1 and 2 were not to an established payee, as she'd not paid this payee before.
- She moved large amounts from her children's accounts which was unusual for her.
- Large payments were being sent out on the same day to a new payee.
- She didn't open the Firm R account nor were the funds within her control when they were paid from NatWest to Firm R.
- She didn't ask NatWest for a full refund.

As no agreement could be reached, this case was passed to me to be decided.

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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In deciding what's fair and reasonable, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

It's accepted by both parties Mrs J made the payments from her NatWest account to her Firm R account herself, albeit she was tricked into doing so. So, in accordance with the Payment Services Regulations 2017 (PSR 2017), Mrs J is presumed liable for the loss in the first instance.

However, there are some situations in which a bank should reasonably have taken a closer look at the circumstances surrounding a particular payment or series of payments. For example, if it was particularly out of character or considered 'high risk'.

In light of the above, I've thought about whether NatWest treated Mrs J fairly in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did.

Having done so, I'm not persuaded NatWest has acted unfairly. I know this will be disappointing for Mrs J. And I'm sorry that she lost this money in such a cruel way. I've gone on to explain why I've reached this outcome below.

Should NatWest have done more when Mrs J made the payments?

I appreciate Mrs J feels strongly that NatWest ought to have done more to prevent her loss. And I've carefully weighed up her comments about the features of the payments she believes ought to have caused NatWest concern.

It's important to remember that firms like NatWest process hundreds of thousands of payments each day. It wouldn't be fair or reasonable, nor would it be practical, for it to intervene on every single payment it processes. Firms need to strike a balance between protecting customers from financial harm and avoiding unnecessary disruption to legitimate payments. Whilst I accept that any amount lost to fraud is too much, I'm not persuaded that the values of the payments would have been particularly striking to NatWest to have caused concern. It follows that I don't think NatWest made an error in processing payments 1 and 2 without speaking to Mrs J.

After payments 1 and 2, Mrs J moved funds from her children's accounts into her current account to fund the further payments to Firm R. I'm mindful that whilst Mrs J cleared the balance of her children's accounts, for two of the three accounts, these withdrawals were of a similar value to previous withdrawals made in the six months prior to the scam. In any event, NatWest did intervene at this point and discussed payments 3 to 5 with Mrs J.

Having listened to the phone calls NatWest had with Mrs J, where it discussed payments 3 to 5, Mrs J confirmed the following:

- She was moving funds to her own Firm R account. NatWest had some reassurance from the confirmation of payee check it completed when Mrs J created the new payee, that the account she was paying at Firm R was in her own name. It couldn't have known that Mrs J would later dispute that she opened this account or had control over it.
- Mrs J confirmed no one else had access to the Firm R account but her. This reassured NatWest that the funds were likely going somewhere safe and in Mrs J's control. NatWest had no sight of where the funds were going to, once they reached Firm R. Instead, it could only act on the information known to it at the time, including the information given to it by Mrs J.
- The Firm R account was a dormant account that she'd had since 2017/2018 and had recently started using again. Whilst Mrs J might have recently created the payee, she told NatWest this was not a newly opened account. Again, this further reduced the risk associated with the payments, given Mrs J confirmed she had not been instructed to open a new account to facilitate the movement of funds (a common feature of multistage fraud).
- She was moving the funds because it was her birthday and she wanted to treat

herself. Given it was in fact Mrs J's birthday the same day the payments were made, this cover story seemed plausible.

- On more than one occasion, Mrs J confirmed she'd not been told to lie to the bank. I understand why Mrs J answered this way, as she was coached by the fraudster. However, it wasn't apparent from the phone calls that Mrs J was giving a cover story. I accept that Mrs J was under a lot of pressure in this moment, and it took a great deal of effort to keep her composure. However, this wasn't audibly clear from her responses in the call. There was nothing alarming in Mrs J's tone of voice or the way in which she responded to NatWest's questions.

Taking into account the nature and value of the payments Mrs J made, as well as the information Mrs J provided during the phone calls, I think NatWest's interventions were proportionate. I don't think it could have reasonably uncovered the true circumstances behind the payments Mrs J was making from the information Mrs J provided. It therefore acted reasonably in processing the payments in line with Mrs J's instructions.

But even if I were to agree that NatWest ought to have challenged Mrs J's cover story more when she re-used this for payments 4 and 5, I still wouldn't be able to make an award in relation to those payments. I say this because Firm R agreed to refund two payments (£1,439 and £1,890) and these were funded by payments 4 and 5 from Mrs J's NatWest account. Given Firm R has refunded a total of £3,392 which was made up of payments 4 and 5 from Mrs J's NatWest account, there is no outstanding loss in relation to those payments. And so, it would not be fair or reasonable to ask NatWest to refund those amounts which Firm R has already refunded.

Should NatWest have done more when Mrs J reported the scam?

As Mrs J sent the funds to her own account with Firm R, and from there, the funds were sent to B, there wasn't anything more NatWest could have done to retrieve her funds once she reported the scam.

Overall

I don't take lightly the impact this scam had on Mrs J. Not only did she lose a significant sum of money, but she was put through a traumatising ordeal by the fraudster, and I acknowledge the toll it took on her wellbeing. However, the main cause of this impact was the fraudster. And the remit of my investigation is to consider whether NatWest has acted fairly and reasonably in its dealings with Mrs J.

In summary, I'm not persuaded NatWest made an error in processing the payments in line with Mrs J's instructions. And it couldn't have done more to recover her loss. So, I don't find it's liable for her loss.

Customer service

I understand Mrs J is unhappy that a NatWest advisor told her she sounded calm when discussing the payments. Whilst this call has not been made available to me, I have no reason to doubt what Mrs J has said.

I know that Mrs J most certainly didn't feel calm in the moment. Rather, it was an incredibly frightening and high-pressure time for her. I appreciate this comment offended Mrs J. But I don't think NatWest needs to pay any compensation because of this. Having listened to the calls, Mrs J did well to hide her true emotions. That's not to say she was calm, but rather, her true feelings were not audibly clear from her tone or the way she answered NatWest's questions.

My final decision

My final decision is that I do not uphold this complaint about National Westminster Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 27 February 2025.

Meghan Gilligan
Ombudsman