

The complaint

Complaint

Ms T complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY didn't do enough to protect her from the financial harm caused by an impersonation scam, or to help her recover the money once she'd reported the scam to it.

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.

On 6 February 2024, Ms T received a call from an unknown number from someone I'll refer to as "the scammer" who claimed to be calling from NatWest. The scammer told Ms T it was a security policy for employees who worked from home to use 'no caller ID', and he wouldn't ask her for any personal information.

The scammer told Ms T there had been fraudulent activity on her account, at which point she received fake notifications from NatWest for transactions she had made and approved as well as transactions she hadn't approved. The scammer told her about a scam involving a rejected payment resulting in the payer inserting multiple card details, which resonated with Ms T because she'd tried to make a purchase from the particular merchant and had many attempts to make the payment declined.

The scammer asked Ms T for the last six digits of the card for her "R" account as a security measure, and when she logged into R, she could see a transaction for £815.99 that she hadn't made. The scammer said that to identify the fraudster, she would need to approve transactions in the app and that they would immediately be reverted to the account. She also approved notifications for card payments to "O" for £1,456.92 and £1,184.99 on the same basis, receiving two refunds of £728.46 each.

The scammer told Ms T her NatWest account had been compromised and as it was linked to her savings accounts, she should set up a safe account with NatWest under a pseudonym and move the funds NatWest and R. With the scammer still on the phone, Ms T transferred funds from NatWest to R followed by five payments from R to the safe account totalling £20,280. When the call had ended, she told her flatmate what had happened, and they told her she might be the victim of a scam.

Ms T complained to NatWest but it refused to refund the money she'd lost. She said there had been a breach of security on her account and complained about the service she'd received, explaining its staff were rude and insensitive. But NatWest refused to refund any of the money she'd lost stating it wasn't the point of loss. It also said it was unable to identify how the scammer had obtained information about her account, but it didn't accept it was the result of an error by NatWest, or a breach in its systems or records.

It said it was unable to listen to all of the calls Ms T had with it, so it couldn't verify whether or not it was necessary for each agent to have transferred. But it accepted what she said about

the way she'd been made to feel during the calls, and apologised and said it would feedback internally.

Ms T wasn't satisfied and so she complained to this service arguing that NatWest's poor security systems had caused the scam because this meant the scammer had information about her account which had persuaded her that he was genuine. She also said it was difficult to determine the difference between a genuine call from NatWest and the scam.

Finally, she said she was passed on to multiple agents when she reported the scam and forced to recount the incident each time, which made her feel belittled and degraded.

Our investigator didn't think the complaint should be upheld. He explained the payments weren't particularly unusual or suspicious considering Ms T's normal account and payments activity, and R was an established beneficiary. And as Ms T didn't speak to or interact with NatWest at the time of the payments, she didn't think it missed an opportunity to identify the payments was being made in relation to a scam.

He further explained that he didn't think it would have made any difference if NatWest had intervened because when R put the first payment on hold, Ms T said she was paying a family member or a friend and gave inaccurate responses to several questions which prevented R from uncovering the scam.

He commented that there was no evidence that Ms T had carried out due diligence prior to making the payments, and that she was merely relying on the information provided to her by the scammer, highlighting that she was convinced the call was legitimate. He concluded there was nothing NatWest could reasonably have done to stop her from making the payments and even with stronger intervention, she would likely have continued to provide misleading information, making it difficult for it to identify fraudulent activity. So, he didn't think there was anything NatWest could have done to prevent the scam.

Finally, he was satisfied that by time Ms T reported the fraud, the money had already been removed from the fraudulent account.

Ms T has asked for her complaint to be reviewed by an Ombudsman. She accepts she was sending funds to an existing payee, but she has argued that the volume of payments in a single day was unprecedented for the account and should have raised concerns. She believes NatWest should have blocked the payments and provided a warning and that this would have given her the space to recognise the inconsistencies in the scammer's story, and her loss would have been prevented.

She has also argued that the scammer knew about legitimate transactions and it was impossible for her to determine that the messages she was receiving weren't genuine. And she doesn't accept she was negligent because the scammer was very convincing and demonstrated a detailed knowledge of her recent transactions.

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've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear Ms T has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

The Contingent Reimbursement Model ("CRM") Code requires firms to reimburse customers who have been the victims of Authorised Push Payment ('APP') scams, like the one Ms T says she'd fallen victim to, in all but a limited number of circumstances. But Ms T was making payments to an account in her own name and so the Code doesn't apply.

I'm satisfied Ms T 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Ms T is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Ms T didn't intend her money to go to scammers, she did authorise the disputed payments. NatWest is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Ms T believes her loss resulted from failed security breaches which meant the scammer had information about her account which made the scam seem plausible. Regrettably, these scams are very sophisticated and as there isn't any evidence that the scam occurred due to failings in NatWest's security systems, I can't fairly hold it responsible for the scam having occurred. Ms T has also explained that she was unable to differentiate between genuine communications from NatWest and those connected to the scam, but, again, I can't hold NatWest responsible for the sophisticated nature of the scam.

I've thought about whether NatWest could have done more to prevent the scam from occurring altogether. It ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Ms T when she tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect NatWest to intervene with a view to protecting Ms T from financial harm due to fraud.

The payments didn't flag as suspicious on NatWest's systems and so I've considered the nature of the payments in the context of whether they were unusual or uncharacteristic of how she normally ran her account. Ms T was transferring funds to her own account, and this was an established beneficiary, so I don't think the payments would have appeared concerning. But Ms T has argued that it was unusual for her to make so many payments to the account in one day, and that the cumulative total of the payments was very unusual, so I've considered what would have happened if NatWest had intervened.

Ms T feels NatWest should have called her and that this would have interrupted the call and given her time to think. I've thought about what might have happened if NatWest had questioned her about the payments and it's clear she was being guided by the scammer on what to say, so I don't think it would have uncovered the scam. It's evident from the fact she shared details with the scammer and followed his instructions to mislead R, that she trusted him and was following his instructions in an effort to protect her money. So, I'm satisfied she'd have withheld information about the circumstances of the payments if NatWest had contacted her.

Ms T has explained that she had panicked about losing her money because her job was at risk and that the call was plausible because the scammer had information about her NatWest account, and she'd made a payment to the merchant the scammer had told her about at the beginning of the call. She was also reassured because of the payments that had been reverted to R. Unfortunately, these factors make it even more likely that she'd have followed the scammer's instructions and told NatWest whatever she was instructed to and

ignored any warnings she might have been shown. So, I don't think there was anything NatWest could have done to stop the scam.

Recovery

I'm satisfied there would have been no prospect of a successful recovery because by the time Ms T reported the fraud, the money would likely have been removed from the receiving account.

Compensation

Ms T has described that she was made to feel belittled and degraded by the way she was treated by NatWest in the aftermath of the incident, and she is unhappy that she was passed to different call handlers which meant she had to continuously repeat her account of the story. I've listened to some of the calls, and I haven't heard anything that I would consider unreasonable or unacceptable customer service, and I didn't see examples of her been transferred unnecessarily. NatWest has however, acknowledged the way Ms T felt following her contact with it and it has apologised and undertaken to feedback to its staff, and I'm satisfied that's fair.

I'm sorry to hear Ms T has lost money and the effect this has had on her. But for the reasons I've explained, I don't think NatWest is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 22 April 2025.

Carolyn Bonnell
Ombudsman