

The complaint

Mr and Mrs S complain that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") failed to protect their funds when they fell victim to an investment scam.

What happened

In September 2021, Mr S was looking for an investment opportunity and saw an advert for an online investment company ("F"). Mr S followed the link to F's website and left his contact details. He was contacted by someone who gave him more details on the investment opportunity and then by another person who would act as his broker. Mr S's contact was then predominantly with this broker throughout the opportunity, which turned out to be a scam. While this complaint concerns joint funds, I will predominantly refer to Mr S throughout as it was him who was dealing with the broker and was moving the funds.

Mr S invested with F between October 2021 and October 2022. He paid the majority of the funds from his joint NatWest account to an account with an Electronic Money Institution ("EMI"). From here they were sent on to cryptocurrency and lost to the scam. Mr S complained to the EMI that he had been scammed and when it didn't refund him, he brought that complaint to our Service. Our Investigator partially upheld it in Summer 2023 and both parties accepted the outcome, so the complaint was closed and redress paid.

A few weeks later, Mr and Mrs S complained to NatWest that it was also responsible for the loss suffered, as most of the funds lost to this scam originated from their joint account. NatWest didn't agree a bank error had been made and didn't uphold their complaint.

Mr and Mrs S then brought the NatWest case to our Service. Our Investigator ultimately partially upheld their complaint. While he couldn't revisit the EMI case, as it was closed, he did take into account the redress already awarded. Mr and Mrs S disagreed with the amount he said should be refunded and asked for an Ombudsman to reconsider their case.

I issued a provisional decision on this case on 7 August 2025. My provisional findings were as follows:

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

It's important to highlight that with cases like this I can't know for certain what would have happened if things had gone differently. So, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened.

In broad terms, the starting position in law is that a payment service provider is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (PSRs) and the terms and

conditions of the customer's account. But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that NatWest should have been monitoring Mr and Mrs S's account to counter various risks including preventing fraud and scams.

Should NatWest have recognised Mr and Mrs S were at risk of financial harm? If so, when?

I've reviewed Mr and Mrs S's statements and all the transactions in dispute here. I do think NatWest ought to have intervened when Mr S was making payments to this scam, but not until March 2022. I'll explain why.

When Mr S first started making payments towards this scam investment, he started off with smaller amounts and he didn't send a large total sum on any one day. By the time he was making more frequent payments to his EMI account in December 2019, it was a well-established payee – he'd been paying it regularly for three months. So I don't consider that the frequency of payments this month ought to have been a concern. And I'm not persuaded that the amounts sent here were enough alone to be of cause for concern to NatWest.

I then don't see any payments that ought to have been of concern after this until March 2022. In mid-February 2022, I accept Mr S does send two £5,000 payments and one £700 payment to his Revolut account on the same day. But, as set out, this is an account in his own name and with an EMI, two things which aren't individually concerning factors. Also, by this time, he'd been making regular payments to this account for five months and had sent several thousand pounds to this account before over a few days, so I can't say the risk here was great enough for NatWest to have needed to intervene. However on 15 March 2022, Mr S sends £12,000 and it's this payment I think presented a risk of financial harm.

On 14 March 2022, Mr S sent £9,000 in two payments to his Revolut account, so an amount not too dissimilar to what he sent in February. But the following day he was then making a £12,000 payment, his largest payment yet. This meant he was looking to send £21,000 within 24 hours, so nearly double any previous amounts sent. Due to the proximity of these payments and the increasing value, I do think NatWest ought to have intervened at this time.

Mr S's spending to his EMI account had already increased in February and now in March he was looking to send a much larger sum and as one amount, so this was a change to his normal spending pattern. By this point, there was also the start of some awareness of the increase in multi-stage and cryptocurrency scams involving EMIs.

Based on the amounts being sent, I think NatWest should've paused the £12,000 payment on 15 March 2022 and spoken to Mr S about what he was doing.

If NatWest had intervened, what would have happened next?

At this time, I think Mr S would've been honest with NatWest that he was making the payment for an investment opportunity. I haven't seen evidence in his conversations with the scammer that he was being coached to lie about what he was doing or that he would've thought this was necessary for this payment to be processed. While he was paying his own account, this was for the purpose of investing, and I think a proportionate intervention call would've brought this up.

As both parties are aware, the FCA did publish a warning on the scam merchant Mr S was investing with in late October 2021. While Mr S had been investing for a while by March 2022, a few things hadn't gone as he expected and I think he would've done further research if prompted by his bank. While he had invested a large sum already, he was still looking to invest more and hadn't withdrawn any funds. Had he searched the name of the firm he was investing with and the FCA, he would've seen the warning and realised he was being scammed. So I think a proportionate intervention at this time would've stopped Mr and Mrs S's losses to this scam.

Should Mr and Mrs S bear any responsibility for their losses?

I've then considered whether Mr and Mrs S's actions mean they should also share some liability for the losses here.

There were a few issues with Mr S's investment account from 2021, and I accept he did start to increase the amount he was investing from February 2022. But I don't think enough was happening at any individual time for Mr S to have had serious concerns with F or for him to realise he may be being scammed until the end of April 2022.

For example, in both December 2021 and January 2022, Mr S is asked to resign terms that don't reflect what his broker has been telling him. Also in January 2022, he has problems logging into his account and with his trades being frozen. In February 2022, his account is frozen again and he must resign the terms again. And again, what the broker has told him isn't reflective of what's happening on his account or the terms. But at these times he does receive reasonable explanations for the problems. And his trades are making profits and losses, and his investment appears to reflect what he's seeing on the genuine market.

In March 2022, Mr S gets turned down for a cryptocurrency account after saying he's using screensharing software, which the broker has asked him to download and use. But I haven't seen that the cryptocurrency merchant explained to him why this was a concern. It's also around this time I think NatWest ought to have intervened, as Mr S sent over £20,000 in 24 hours. But while I accept that Mr S's responsibility to do checks, and be sure of the opportunity, increases with the amount of money he sends, looking at the scam chat we hold, I'm not persuaded that this was a point he would've reasonably been triggered to do additional research. He was expanding the way he traded with the broker and appeared to be topping up his account to invest more in both cryptocurrency and commodities. But this is something he'd done before and understood he'd been successful in, just on a lower scale.

However, on 21 April 2022, Mr S reports a large discrepancy in his account and says credits he's received into the account are reversed. He's then asked to resign the terms and conditions again. On 2 May 2022, he reports "another major system error" to his broker. And on 3 May 2022, he's given information about a trade that he notices doesn't match what the official exchange says. Following a phone call the

next day he's asked to sign another agreement. And he then points out to his broker than these terms and conditions still contradict what he's being told. Mr S also discusses withdrawing funds in March 2022, but he's still not been able to withdraw by this time, which I think he should've expected to.

I think that Mr S should've had some low-level concerns about the opportunity prior to the end of April/early May 2022. But everything that then happened at this time meant he should've done some further research into F and his broker. I accept he'd been investing for some time, but a number of things went wrong in a short window, and I don't agree the explanations given are persuasive or in-depth enough so that he should've been reassured to keep sending more funds. While he had received some explanations for previous issues, these new and repeated issues should've then compounded his concerns and prompted him to do some additional checks. And as above, had he looked up the investment firm at this time, he'd have found the FCA warning. Seeing this alongside the problems he'd been encountering, I think he should've realised this wasn't a genuine opportunity after all.

Mr S has set out why he doesn't agree he should be held equally liable with NatWest, but I'm satisfied that a 50% deduction is fair here. As above, there were a number of red flags by early May 2022. And then following this, more things happened which should've concerned him, but didn't stop him investing. And later in the scam, Mr S's behaviour changes and I'm no longer persuaded he would've been honest when questioned – so it's unlikely the scam would've then unravelled had NatWest intervened.

In early June, Mr S's broker encourages him to borrow money to fund the investment – despite him receiving no real returns at this time. He suggests credit cards, loans, borrowing from friends and an equity release. This isn't the kind of practice you'd expect from a reputable company and it's clear Mr S is uncomfortable with some of the suggestions and the debt he's already in. Mr S applies for loans but gets rejected, he thinks due to his credit card debt and his credit score – and at this time he recognises it's been badly impacted by funds borrowed for this investment. The broker then encourages him to try for secured loans, and equity release is discussed again.

In August 2022, Mr S is then looking into an equity release and at this time explains he needs to pay the money into a joint account not his EMI. He notes that where and how he pays the funds could prompt queries and he'll be asked for evidence of where the money is going and what for, and says he isn't interested in that. Later that same day, he then says he isn't comfortable with an equity release.

Despite this comment, that is then what Mr S goes on to do. And from his paperwork we can see that he went through thorough conversations with an equity release broker and misled them, in some detail, about his intentions for the funds. While Mr S has pointed out how NatWest really ought to have questioned him further when he then moved the equity release funds to his EMI account, I'm not persuaded he'd have been honest if it had. By August 2022, it seems he was intent on making payments to this investment and knew that honest disclosure of what he was doing would lead to delays and potential issues. So instead, I believe he would've acted to conceal the true purpose of the funds.

Due to this, I think Mr and Mrs S are liable for 50% of the loss incurred to this scam and it's fair to apply this deduction on payments made from 9 May 2022 onwards. This deduction applies to payments made to the scam from this date until (and including) 24 October 2022. Shortly after this, Mr S realises he'd been scammed and

reports this to NatWest.

I note that in December 2022, Mr S does then make further payments to try and recover the funds lost to this scam. From his recent correspondence, it's not clear if Mr S is now looking for these payments to be considered too. But for completeness, I couldn't fairly say NatWest should be liable for any of these. I accept he was in a very difficult place and was desperate to recover the huge sum he'd lost. But at this time, he was aware he'd been a scam victim and I can't say it was reasonable to send more funds to the same people involved in the original scam. So even if these payments were to be included, I would look to hold Mr S solely liable for them.

Other considerations

As Mr S paid accounts in his own name from NatWest, never the scammers directly, I'm not persuaded it could've done anything to recover his funds once he reported he'd been scammed. He received the funds into his own accounts as intended. The losses then occurred at later points, after the funds had been moved on by Mr S.

Mr S has raised that this was a Premier bank account. He says he should've received advice from his Premier banking manager and says they should've been supervising the account. He's explained he wasn't assigned a manager at this time, which has impacted what happened.

I don't agree Mr S's understanding of this service is how it practically works. The account manager wouldn't be monitoring Mr and Mrs S's account to look out for scams or to see how they are spending their money. While an account manager may send a message offering a meeting, and they're available for Mr and Mrs S to contact, their role isn't to proactively manage the day-to-day running of the account. And my understanding of this service is that Mr and Mrs S could've requested contact from this service by phone or online at any time – they didn't need a direct person to do this. While I accept they should've been assigned someone, they didn't need to be, to initiate a conversation. And having a direct contact, as set out, wouldn't mean someone was supervising their accounts at the time of the scam.

In terms of investment advice, it would have been for Mr and Mrs S to contact their account manager, explain they were looking to make an investment and wanted some advice. The manager would've then arranged for a financial advisor – quite possibly for an extra fee – to contact them to discuss in-house investment opportunities. I accept they didn't have a person to contact, but I haven't seen that Mr S tried to contact NatWest for this reason, or that in reality they wanted to pay for the kind of advice it could give at this time. So, the fact they had this kind of account doesn't change my outcome on this case.

Calculating redress - previously refunded sums

Mr S first complained to his EMI account provider and this complaint was closed before our Service was asked to investigate this joint complaint against NatWest.

The vast majority of the money paid out from NatWest was sent to Mr S's own EMI account, paid to a cryptocurrency merchant, then lost to the scammers from there. The EMI agreed to refund 50% of this loss from a payment in mid-February 2022 and we received confirmation that this refund had been finalised in January 2024.

As above, I think NatWest ought to have intervened on the payment on 15 March 2022. So I consider it should refund him and Mrs S the remaining 50% outstanding on this payment and all subsequent payments up until (and including) 20 April 2022. Both NatWest and the EMI could've prevented this loss. After this date, I consider a contributory negligence deduction needs to be applied to any refunds, as explained above.

I've thought carefully about Mr S's responsibility here and what he has already received back from the EMI. While I am not looking into the EMI case and what was decided (as this was closed before we received this case) the refund received is mostly for the same payments complained about now. So I do need to consider these funds as a whole and factor in what has been paid to date.

I think it's fair that overall Mr S receives 50% of his loss to the scam from 21 April 2022 to October 2022, as he should share liability for it from this date. So that means NatWest isn't required to refund him anything on the payments from this point he sent to the EMI – as he's already been compensated 50% of this sum in 2024. However, Mr S did make six payments to another account as part of this scam in this time. NatWest does need to refund him 50% of these payments, as he hasn't received anything back on these and both Mr and Mrs S and NatWest are jointly liable for them.

NatWest agreed to the provisional decision and to pay the refund the amount I'd set out.

Via their representative, Mr and Mrs S disagreed. They accepted that NatWest ought to have intervened in March 2022, but didn't agree that NatWest shouldn't be liable for payments after April 2022 and so asked me to reconsider its liability from May 2022.

Mr and Mrs S also said they shouldn't be held liable for 50% as NatWest didn't intervene. And they didn't agree that Mr S ought to have completed additional checks in May 2022. They argued that as Premier banking customers they should have received a better service and that it was a large assumption to make that Mr S would've lied to the Premier banking team. They maintained that basic questioning could've unravelled this scam. As both parties have responded and the deadline has passed, the case has been returned to me for a 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.

While I have read Mr and Mrs S's submissions and considered them carefully, I can't agree that they add any materially new points or information to the case. Some of my findings seem to have been misinterpreted, so I will clarify these. But ultimately the submissions provided don't change the findings previously reached.

First, Mr and Mrs S have said I haven't found NatWest liable after May 2022. This is incorrect. I have set out its liability applies from April 2022, I accept it should have intervened, and I asked it to refund transactions not made via the EMI after this date, which it has now agreed to do. I set out that it also holds liability for the EMI payments made. But as Mr and Mrs S have already received half the money back, there is nothing left to refund. This is not the same as not being liable.

Had Mr and Mrs S brought both the EMI complaint and this complaint together, 50% liability likely would have been shared between these firms. As they chose to bring them one after the other, they had already been refunded by the EMI as much as I would've asked both firms to pay in total. They are not entitled to a greater refund because they chose to bring their cases individually.

I have set out in detail why I consider Mr and Mrs S should also bear responsibility for their losses. I carefully considered what this should look like and I'm satisfied, for all the reasons already given that they should hold 50% responsibility. While multiple firms were involved in these payments, they are one side of this. And I'm satisfied Mr and Mrs S as the customers are also, in this case, equally responsible for the losses here. Mr S was the party choosing to invest and send the funds, regardless of which firm/s this was by.

In my provisional findings I set out that by the end of April/ early May 2022, there were a number of red flags with this opportunity that should have led Mr S to do some basic level, additional research himself. I did not find NatWest needed to prompt him to do this, I said the situation he was in ought to have led *him* to do it, so independently. And that this then would have led him to discover this was a scam, as he didn't need support or specialist knowledge to find the FCA warning, for example.

I previously set out the role of the Premier Banking team, so I don't consider I need to repeat this. At the time Mr S made the two very large payments (September and October 2022) he had already extensively misled another professional company to access these funds. I do not agree it is a large assumption that he would've continued this same story if asked. I've seen nothing to persuade me that basic questioning would've unravelled this scam when I've seen the in-depth false answers he gave to detailed questioning for the equity release to be granted. And I don't consider the time it took to make these payments is relevant, when I'm not persuaded he'd have been honest at any point by this time.

I accept Mr and Mrs S don't agree with what I think most likely would've happened, but as I set out in the provisional decision, I can't know for certain what would have happened if things had gone differently. So, I needed to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I thought was more likely than not to have happened. This is what I did with my provisional decision. And I'm not persuaded by their further submissions that I did this incorrectly. So my findings remain the same and I am directly NatWest to refund them the amount set out below.

Putting things right

I direct NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to:

- Refund Mr and Mrs S the payments they made to Mr S's EMI account from 15 March 2022 up to (and including) 20 April 2022, minus 50% as this has already been refunded by the EMI
- Refund Mr and Mrs S the payments they made to Mr S's other bank account from 9 May 2022 up to (and including) 20 June 2022, minus 50% for Mr and Mrs S's contributory negligence
- Pay 8% simple interest per annum on the total refund from the dates of payment to the date of settlement

My final decision

For the reasons set out above, I uphold Mr and Mrs S's complaint against NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 19 September 2025.

Amy Osborne
Ombudsman