

The complaint

Miss C complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") won't refund the money she lost as the result of a scam.

What happened

The background to the scam is well known to the parties, so I'll simply summarise it here. Briefly, Miss C met someone on a dating site. Unfortunately, that person ultimately turned out to be a scammer. I'll refer to him as "the scammer" in this decision to keep things simple, though I appreciate that Miss C didn't realise he was a scammer when she was making the payments.

Between April 2022 and October 2023 Miss C made more than eighty payments from her account with NatWest to two money transfer services ("W" and "R"). The payments totalled more than £20,000. They varied in size, but were all under £1,000, with the exception of one payment for £2,000.99, made during the first month of the scam.

Miss C says she felt uneasy about the scammer's unwillingness to have video calls with her, but she was reassured by photos he sent, and she developed an emotional connection with him. Once that was established, the scammer began to ask Miss C for money, giving a variety of reasons. Miss C was suspicious about this, but continued to send money to W and R. The money was then collected by the scammer in cash overseas. On each occasion, Miss C forwarded a code for the recipient to use on collection.

As time passed, the scammer's stories about why he needed the money became more complicated, and Miss C eventually realised that she'd fallen victim to a cruel scam.

Miss C believes that NatWest should have warned her that the payments carried a risk, and she's unhappy that it didn't stop any of the payments. She'd like NatWest to refund the money she lost, with interest on the refund and compensation.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, she said the transfer services Miss C made the payments to were well-known companies, used by lots of people to send money abroad. And she didn't think the size or pattern of payments was such that NatWest ought to have intervened. Nor did she think there was any way that NatWest could have recovered the money.

Miss C disagreed with the investigator's view, so the complaint's been passed to me.

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'd like to say straight away that I was very sorry to hear that Miss C fell victim to a scam. I have a great deal of sympathy for her, and realise that the situation will have had a significant impact on her, not just financially, but because of the way the scammer took advantage of her and gained her trust.

It's common ground that the payments made to the scam were 'authorised'. Miss C made the payments to the scammer using her debit card. So even though she didn't intend the payments to end up with a fraudster, they were 'authorised' under the Payment Services Regulations. NatWest had an obligation to follow the payment instructions it received, and Miss C is presumed liable for her loss in the first instance. But that's not the end of the story.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payments were made, NatWest should have been doing the following to help protect its customers from the possibility of financial harm:

- monitoring accounts and payments to counter various risks, including fraud and scams;
- keeping systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;
- in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether;
- being mindful of -among other things – common scam scenarios, how fraudulent practices were evolving (including, for example, the use of multi-stage fraud by scammers) and the different risks these can present to consumers when deciding whether to intervene; and
- (for transactions from 31 July 2023 onwards), acting to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

However, I also need to bear in mind that banks process high volumes of transactions every day, and I consider that there's a balance to be struck. Banks have obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction. And I think it was reasonable of NatWest to consider a range of factors when deciding whether to take any additional steps before making the payments.

I've looked carefully at the payments Miss C made. The account appears to have generally been used for everyday spending. Although most payments from the account were less than £100, Miss C did sometimes make larger payments. Those included payments for over £700 and over £500 around three months before she started making the payments to W and R.

The payments that Miss C made to the scam fluctuated in amount and were spread over a long period, with frequent gaps of several days to several weeks in between. Occasionally two or three payments were made on the same day.

I recognise that some of the payments represented a large amount of money to Miss C. But I don't think they were sufficiently out of character - or that either the individual payments or the daily totals were large enough - that NatWest ought to have intervened before allowing them to be processed. What's more, as the investigator commented, W and R are established companies, used by many people across the world every day to make legitimate payments. NatWest wouldn't have known what the payments were for, and I don't think there was anything here that should have prompted it to ask.

I've considered whether NatWest could have done more to try to recover the money Miss C lost. But the money was collected in cash before she reported the scam. So I can't see that there's any realistic way in which NatWest could have recovered it.

I realise that my decision will come as a disappointment to Miss C. As I've said above, I have considerable sympathy for her, and I'm not surprised that she's very upset about what happened. But while I don't underestimate the toll that falling victim to a scam will have taken on her, I can only uphold the complaint if I consider that NatWest was at fault. And for the reasons I've set out, I can't fairly say that it was.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 31 July 2025.

Juliet Collins
Ombudsman