

The complaint

Miss K complains that National Westminster Bank PLC (NatWest) hasn't refunded money she paid in connection with her holiday which she now believes was the result of a scam.

What happened

There is a considerable quantity of correspondence relating to the complaint, not all of which is consistent. In setting out the circumstances surrounding the complaint, I will summarise this and reflect what I consider the sequence of events most likely was based on my full review of all of the material available to me.

In summer 2023, Miss K was booking holiday accommodation for a vacation the following year in Jamaica. She was using a well-known online travel agency company, which I will refer to as Agent B.

Using Agent B's mobile app, she found a suitable looking location to rent for her holiday. She explains that her booking was being made for four separate villas all located within the same holiday complex.

The booking was being made with a villa provider whose details were provided on the relevant page shown on Agent B's app and also on the associated emails Miss K received. I'll refer to this company as Villa S.

It appears the initial card used by Miss K was unable to be processed by Villa S. Miss K received an email from Agent B stating she'd need to submit revised payment details. On 9 August 2023, Miss K explains she then received a call from Villa S to make the deposit payment. She paid the £2,100 deposit by card payment using her NatWest debit card.

This card payment was processed and debited her NatWest account as expected. However, the payment was taken by a limited company with a name that didn't match the name of the company thought she was dealing with.

Miss K was not then expecting to make any further payments until near the time of the holiday (in 2024). However, she says she was messaged through Agent B's app in September 2023. The messages indicated that she needed to make additional payments to secure her booking.

This wasn't what Miss K had expected. She contacted Agent B itself to query what she was being asked to do. She asked whether it was normal for the property company to be asking her to make payments so early given the holiday date was still around a year away. Miss K recalls being told this seemed to be 'OK'. She could go ahead and make the payments requested.

Miss K then made three payments from her NatWest account. Unlike the previous payment, she was asked to pay by bank transfer rather than a card payment.

On 5 September 2023, Miss K made a first payment of £1, and when this was apparently

received made a further payment of £300, followed by £2,700 also by bank transfer the following day.

These payments went to the account details Miss K had been given through Agent B's app. The payee was not the same limited company as Miss K had made the card payment to in August.

It appears that Miss K then changed her mind about the booking. The terms allowed cancellations without restriction up to a time near to the holiday date. Miss K tried to contact Villa S through Agent B's app to cancel the booking and request a refund.

However, Villa S did not respond or refund Miss K.

Miss K made contact with Agent B and reported what had happened. She received emails from Agent B saying they were attempting to contact Villa S, but ultimately this was unsuccessful. Agent B advised Miss K to contact her bank to ask it to dispute the payments.

Miss K raised the matter with NatWest. The card payment of £2,100 that she'd made was returned to her through a Chargeback dispute raised with the merchant.

But the chargeback procedure is only available to card payments (it is based on the relevant card scheme rules). Chargeback is not available where a payment was made by another payment method such as bank transfer (which is what applied to the three later payments Miss K had made).

This left Miss K out of pocket by the amount of the transfer payments, a total of £3,001.

Miss K reported to NatWest that she believed these payments had been fraudulently obtained from her. This is something known as an Authorised Push Payment Scam (APP Scam) – a scenario whereby someone was fraudulently tricked into making a payment or payments.

At the time of Miss K's payments, NatWest was a signatory of the Lending Standard Board's Contingent Reimbursement Model Code (the LSB's CRM Code). This code applied to bank transfer payments (but not to card payments).

The CRM Code required signatory firms to reimburse victims of APP Scams in all but a limited set of circumstances. However, it excludes claims brought for private civil disputes – such as between a legitimate supplier and their customer. The CRM Code explains that this can include situations where a customer has paid for goods or services but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier. The terms of the CRM Code are available from the archive section on the LSB's website.

NatWest looked into what had happened but didn't think it was liable to refund Miss K for the bank transfer payments she'd made. NatWest didn't think it had been established that Miss K had been the victim of an APP scam. Rather it thought this was a private civil dispute between her and the villa provider Villa S. It said she'd paid a legitimate company and needed to raise the dispute with that company. It had contacted the bank holding the account Miss K paid, and that bank didn't consider this had been fraud.

So in short, NatWest said the bank transfer payments she'd made weren't covered by the CRM Code. It didn't refund her for these.

Miss K didn't accept this. She referred her complaint about NatWest to this service for an

impartial review.

Our Investigator looked at everything afresh. During his investigation, he obtained further information from both sides. He also contacted the bank holding the account Miss K's payments had been made to in an attempt to establish what had happened.

Ultimately, however, the Investigator didn't think the evidence pointed towards this being a criminal scam.

Based on the evidence presented and his own investigations, he didn't think NatWest was responsible for the money Miss K had paid. Miss K could pursue the matter through the small claims court, but NatWest couldn't fairly be held responsible for the money she'd lost.

Miss K didn't accept the Investigator's findings. She has since provided further information clarifying the sequence of events leading up to the payments and the responses she'd had from Agent B.

She noted in particular that she now realised the company she'd transferred the funds to did not appear to be connected to Villa S. She also confirmed that Agent B now said the same – the account she'd paid was not one they recognised as being connected to Villa S.

As no agreement could be reached, Miss K's complaint has been referred to me to review everything afresh and to make 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.

I'm sorry to hear about the situation Miss K is in. She's paid out a considerable sum and has nothing to show for it. The travel agent she used (Agent B) doesn't accept it is responsible, and the villa companies involved aren't responding to her.

I'm can't decide on a dispute between Miss K and Villa S or Agent B – I don't have the power to look into a complaint about these companies even if they have let Miss K down by breaking their agreements with her or providing bad service. My role is limited to deciding the dispute between Miss K and her bank.

Of course, NatWest didn't contract with Miss K for the holiday she booked, and I can't hold it responsible for any breach of contract or other failings on the provider's part. As a starting point in law Miss K is responsible for the bank transfer payments she instructed NatWest to make for her. Unfortunately, there's little protection available for bank transfer payments, like these were.

That being said, the CRM Code can provide some protection to victims of APP scams.

But as I've noted above the CRM Code specifically excludes private civil disputes. To find NatWest needed to reimburse Miss K under the CRM Code, I'd need to find that the evidence was strong enough to show this had been a deliberate criminal scam from the outset rather than it being a private civil dispute between Miss K and the company she paid.

The CRM code can only apply where its definition of an APP scam is met: "*a transfer of funds [...] where: (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or (ii) The Customer*

transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”

There are two parts to this, either being deceived into transferring funds to someone different than was intended, or being tricked into paying for fraudulent purposes. At least one of these two parts must be established in order for the CRM code to potentially apply to the payments. I'll therefore address each in turn.

Did Miss K pay the person she intended to pay?

Deciding whether this applies to Miss K's payments is not straightforward. In particular this has been complicated by the number of different companies that took part in the disputed transaction. The original booking was paid by card payment to a company that is not the same as the company that Miss K later paid by bank transfer. Neither company that was paid matches the name of the company Miss K thought was handling her reservation, Villa S.

It is of course possible that the villa company used more than one identity in its operations perhaps in order to facilitate payments being made by card payment through one entity and bank transfer payments through another.

If that was the case though I'd expect to be able to establish some connection between the different entities. I've very carefully reviewed the evidence available to me that might shed some light on this point.

Miss K has highlighted the name and mobile number quoted on her original booking. These say her reservation was being managed by Villa S and referred payment queries to a mobile number.

I've carried out an online search for this mobile number. It appears to correspond to a person who advertises various villas in Jamaica for holiday rentals, across a range of different websites and agents.

Cross-referencing this person's name and home address details (taken from the adverts linked to that phone number) against the name and address details recorded on Companies House as directors of the company Miss K sent the bank transfers to, reveals that these match.

This leads me to conclude it is most likely that the payments did go to a company at least run by the same people as the company with which Miss K had made the initial reservation.

And therefore, based on what I can establish, it therefore seems to me that while there were several different companies involved here (Villa S, the card payment merchant, and the company paid by bank transfer) these were all connected and most likely run by the same people.

I therefore find Miss K's payments were most likely made to the person(s) she intended to pay. That part of the APP scam definition isn't met.

Was the payment taken for fraudulent purposes or is this a private civil dispute?

The CRM code excludes disputes with legitimate suppliers. That includes situations where a contract has been breached by the supplier — including not supplying what was paid for. Similarly, that could include a failure to refund in line with the terms of a legitimate agreement that had been made with their customer.

In terms of the CRM Code, what matters is whether there is enough evidence to show the breach of the agreement was the result of deliberate and fraudulent deception. If the dispute about the payments is one that could properly be pursued in court only by way of a civil claim, no crime being involved, the matter would be a 'private civil dispute' and not an 'APP scam'.

And specifically, for the CRM code to apply the payments must have been obtained with criminal, fraudulent intent. Anything else that went wrong later, even a failure to refund a deposit payment in bad faith or in breach of a contract won't be an APP scam for the purposes of the CRM code.

The question I need answer when thinking about what NatWest has said, is therefore whether the companies Miss K was dealing with always intended to carry out a criminal fraud against her. I must also be able to exclude on the balance of probabilities the alternative possibility that this is simply a matter of the companies breaching a legitimate contract with Miss K.

A criminal allegation is extremely serious, and as a consequence the evidence for that needs to be convincing. It is a high bar to meet.

It's important to note that it isn't for NatWest to investigate the companies, neither does it need to prove that they weren't operating legitimately or were acting criminally. It was for Miss K to provide evidence to support those allegations.

While Miss K has provided evidence showing what happened, and that she was unable to obtain a refund when she tried to cancel, this could be consistent with the companies breaking a legitimate contract as much as with the companies never having intended to fulfil the original booking at the point the payments were made.

There is little evidence here for me to rely on that would support a finding of the companies operating a deliberate and criminal scam from the outset. I am not aware of any police involvement or investigations by a body such as trading standards. The bank holding the beneficiary account says there have been no other reports of fraud, and it has no concerns about the general operation of the account.

Online research into the various companies seems to indicate they have fulfilled holiday bookings for numerous other customers. The company Miss K paid appears to operate a reasonable professional looking website which is active and can still accept bookings. While not all reviews of the provider are positive, the majority appear to be. There is very little to indicate that Miss K was dealing with anything other than a legitimate supplier, but one which has failed to honour the terms of its agreement with her.

Of course, I can only see part of the story. I can only base my findings on what has been provided by Miss K and that of the banks, together with my own research and that of our Investigator. I have no powers to investigate the company beyond that – such as for example interviewing the directors. That would be a matter more suitable for a police investigation if the police considered it was justified.

Simply put, with the evidence available to me, I can't safely conclude that the company Miss K paid took her money without ever having any intention of fulfilling the booking contract. The evidence isn't enough to support such a finding as being the most likely of all the possible explanations.

I appreciate how frustrating and disappointing this answer will be. Miss K has lost a lot of

money as a result of what happened here. But I can't exclude the possibility that the companies concerned entered the agreement in good faith, intending to fulfil the booking and then were unable or unwilling to fulfil the cancellation terms. The evidence doesn't allow me to conclude it's more likely than these alternative possibilities that the companies intended to steal Miss K's money from the outset and never had any intent of fulfilling the arrangement in full or in part.

There is little to support a finding of criminal intent here. I can't exclude the possibility that this is a private civil dispute — something the CRM code excludes.

To summarise then, I don't find NatWest was wrong when it said the CRM code shouldn't apply to these payments.

That means that I can't fairly hold NatWest responsible for the loss suffered here by Miss K for her bank transfer payments. It also means I find the bank had no ability or obligation to try and recover her money. Despite this, I understand that NatWest did attempt to recover the funds Miss K had paid and contacted the beneficiary bank to raise her concerns. This did not prove possible, and nothing was recovered. I don't find that NatWest could have done more here.

Turning to the concerns Miss K has raised about how NatWest handled her claim, I've reviewed the contact Miss K had with NatWest about this issue and taken into account what she's explained about how upsetting and frustrating she found the calls she had with her bank. I appreciate how strongly she feels about this. She was left facing a significant financial loss through no fault of her own and was looking for her bank to help her. Being told it wouldn't refund her (amongst other things) was not at all the answer she wanted to hear. I think the conversations became heated and on occasions calls were abruptly ended.

Of course, the root of the problem here was the failure by the holiday companies to refund Miss K when she tried to cancel her booking. That wasn't NatWest's fault — it was the fault of those holiday companies. I can see NatWest has offered to pay compensation of £100 in recognition that this all could have been handled better. I know Miss K wants more, but considering NatWest's involvement here I don't think it needs to pay more than the amount it has offered. If NatWest hasn't yet paid Miss K the £100 and if she now wishes to accept the bank's offer, she may contact the bank following this decision. But I make no further award in this respect.

To reiterate, I am sorry to hear about what has happened to Miss K, and the impact this has had on her. But I don't find NatWest was to blame in this and I don't find it needs to do more than it has already offered to do.

In saying all of the above I don't underestimate the impact this whole matter has had on Miss K — I am sorry she has lost out seemingly through no fault of her own. But it's simply the case that I can't fairly tell NatWest to refund her the money she's paid because I don't think NatWest has treated her unfairly or was otherwise at fault here.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 19 December 2025.

Stephen Dickie
Ombudsman