

The complaint

Mrs M complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") hasn't refunded £2,000 paid out of a NatWest account held in her name without her authorisation.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Mrs M has said that she was tricked and blackmailed by a third party; a NatWest account was opened in her name by the third party; Mrs M paid £2,000 into this NatWest account; and the third party then paid this £2,000 away from the NatWest account without her authorisation.

NatWest and Mrs M couldn't reach agreement about things, so Mrs M referred her complaint about NatWest to us. As our Investigator couldn't resolve the matter informally, the case has been passed 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.

I've focused 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.

I've decided to not uphold this complaint for materially the same reasons as our Investigator.

If Mrs M has been the victim of fraud here – and it appears she may have – then she has my natural sympathy. However, this doesn't automatically entitle her to a refund from NatWest. I can't reasonably ask NatWest to reimburse Mrs M's loss that resulted from the criminal actions of a third party unless its acts or omissions unfairly resulted in Mrs M's loss. And in this case, I don't think NatWest's acts or omissions did unfairly cause Mrs M's loss. I say this because:

- I'm persuaded by the information I've seen that the NatWest account was opened in Mrs M's name and that the information used to do so was sufficient such that NatWest wouldn't reasonably have had any reason to think there was anything untoward afoot. Instead, it seems that Mrs M, by her own admission, had been tricked and/or blackmailed into providing the third party with enough information and documentation to successfully open the account in Mrs M's name.
- Mrs M's own submissions are that she was being blackmailed behind her husband's back into handing over money and cards. She's also said she moved the £2,000 into the NatWest account as a result of the third party's threats. Such that, I'm afraid that

whilst I don't doubt Mrs M was likely threatened into doing such things, it nevertheless seems likely that she knew about the NatWest account and funded it with the £2,000 which enabled the third party to spend it, in circumstances whereby I wouldn't reasonably expect NatWest to have known what was going on.

- I take on board that Mrs M has said she was blackmailed. However, she'd already given the third party everything they needed to control the account and make payments from it (including the £2,000 paid into it which Mrs M is now seeking reimbursement of). And whilst I've thought carefully about whether it's still fair for payments out totalling £2,000 to be considered as consented to (and therefore authorised) by Mrs M, bearing in mind everything she's said, I've decided that this is fair. This is because the concept of consent under The Payment Services Regulations is a formal one – if the consumer uses the agreed form and procedure for making payment orders (or allowed a third party to do so in circumstances whereby it appeared that they had authority to do so, which is known as apparent authority), then they would have given consent, under the regulations, to the execution of the payment transaction(s). It's an objective test, it doesn't depend on the consumer being fully aware of the details of the payment(s) at the time. And in terms of consent, it's important to distinguish this as being about Mrs M's relationship with NatWest here, not the third party. This means that if Mrs M was blackmailed by the third party, this wouldn't mean she didn't consent, in terms of how the regulations define that term, to the payments being executed by NatWest.

In these circumstances, I don't think it's unfair or unreasonable that NatWest has treated the payments of £2,000 as authorised, and therefore non-refundable. I take on board that Mrs M appears to have received some refunds from other financial businesses involved in the wider context of the situation she has found herself in. But it doesn't automatically follow that NatWest should be required to do the same. And for the reasons I've explained, I don't think there's a fair basis in this particular case on which I could reasonably tell NatWest that it must do so.

I also agree with what our Investigator said about NatWest potentially intervening in the transactions before they debited the account – I don't think the account activity was such whereby I would expect NatWest to have done this. However, even if NatWest had done this, it seems unlikely this would have made a difference bearing in mind Mrs M was being blackmailed and was obviously set on following the third party's demands at this stage. So it seems unlikely this would have changed anything.

I'm sorry Mrs M experienced this, but despite my natural sympathy, I can't fairly ask NatWest to refund her in circumstances where I don't think it did anything wrong.

My final decision

For the reasons explained, I don't uphold this complaint.

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

Neil Bridge
Ombudsman