

The complaint

Miss H complains that National Westminster Bank Public Limited Company ('NatWest') have not refunded money that she lost when she was the victim of a scam.

What happened

The details of this complaint are well known to both parties so I will not go into every detail of what happened here. But, in summary, in December 2024, Miss H received a call purporting to be from a mobile phone network offering her a job as a mystery shopper. Miss H had been looking for work so was happy to take on their offer. They spoke numerous times over the phone and by text. They told her she would need to buy two iPhones, which would be collected by a courier, and she would receive a refund a few days later. Miss H followed the instructions, purchasing the phones on her NatWest card for £2,298 and handing them over to the courier. Unfortunately, the refund did not arrive and Miss H realised she had fallen victim to a scam.

Miss H reported the matter to NatWest, who declined to refund her losses. They said there would not be any right to chargeback in this case as the merchants had given her the phones she bought, before she handed them on. They said that they could not raise it as a normal scam claim, as she had bought legitimate goods using her card and handed them over willingly. So, this would mean that some of the normal protections (under the Contingent Reimbursement Model ('CRM code') or the Payment Service Regulator's scam regulations) would not apply – as these rules do not cover card payments.

Miss H remained dissatisfied, so she escalated her concerns to our service. One of our investigators looked into what happened and did not recommend that Miss H's complaint be upheld. In short, they said that they agreed that the disputed payment was not covered by the relevant scam codes. They also said that a bank ought to still be on the look out for payments which indicate their customer is at risk of fraud or financial harm, and intervene where necessary. But unfortunately, in this case, our investigator did not feel that NatWest had made an error by not intervening in this payment, as it did not present an identifiable scam risk.

Miss H disagreed with our investigator's findings. She said that what happened had a devastating financial impact on her. She said she was scammed as she was coerced and deceived into making the transaction under false pretences. She did not intend to keep the phones, she bought them as part of what she thought was a legitimate job. She handed them over to the scammer – they were not personal transactions. She said NatWest ought to have identified the payments as a scam risk as they were high value for her account and she reported the scam as soon as she was aware of it. As no agreement could be reached, the case has been passed to me to decide.

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 have reached the same conclusion as our investigator, and for the same reasons. I'll explain why.

I would like to say I was sorry to read about Miss H falling victim to this cruel and callous deception. I understand this would have had a significant impact on Miss H, and I'd like to offer my sympathies for what she has been put through.

My role here is to assess NatWest's actions against what they should have done – and having done so, I do not think it would be fair and reasonable for me to hold NatWest liable for Miss H's loss here. So, having considered everything, I am not going to be able to uphold Miss H's complaint. I do appreciate how disappointing this will be for her, but I do not think I can fairly say that NatWest should reimburse her with the money that was unfortunately lost to the scammers. I'll explain why.

I've taken into account the relevant law, regulators rule and guidance, relevant codes of practice and what I consider to have been good industry practice at the time. In this case, this does not include the Lending Standards Board Contingent Reimbursement Model ('CRM') Code or the Payment Service Regulator's refund regulations as these codes require the payment to have gone directly to a scammer, via an authorised push payment. In this case the funds went to a legitimate merchant with the loss taking place later when the phones were handed over. But based on the other relevant rules relating protecting customers from risks of fraud and financial harm, I think NatWest should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual and out of character transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I consider as a matter of good practice, NatWest should have been on the lookout for unusual and out of character transactions and where necessary, taken proportionate interventions. £2,298 is not a small or inconsequential sum of money, and I appreciate that for Miss H this feels very out of character for her account. But unfortunately, I do not think it was one which NatWest needed to intervene with. The payment was made using her genuine card and PIN, in a legitimate retailer which does sell high-value goods. It is not unusual for an account that is used for general spending to every so often have an ad-hoc larger transaction. And the starting point is that banks ought to process payments for us when we ask them to – so they have a delicate balance to strike in determining when to intervene with a transaction. So, considering all of this, I do not think this payment was sufficiently unusual or out of character for NatWest to have recognised it as an identifiable scam risk. I think NatWest acted fairly and reasonably in not intervening with this payment. And so it follows that I think it was fair and reasonable that they declined to refund Miss H's losses.

I have also thought about what attempts NatWest ought to have made to recover the funds after they were notified Ms H had fallen victim to the scam. Unfortunately here, the funds

went to a legitimate retailer and the loss occurred when Miss H passed the phones on, so there was nothing NatWest could do in this case to recover her funds.

In summary, I understand that Miss H believes NatWest should have gone further and prevented the scam or provided a refund after the scam came to light – but I am afraid I don't agree. Unfortunately, NatWest are not able to identify every scam. I would expect them to look out for the hallmarks of common scams and recognise these red flags, but I am not persuaded that these red flags existed here. So, whilst I do not doubt that Miss H has been the victim of a cruel and callous deception – it is ultimately the fraudsters who are at fault here, and I do not find that it would be fair to ask NatWest to refund her losses.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 29 August 2025.

Katherine Jones
Ombudsman