

The complaint

X, a limited company, complains that National Westminster Bank Public Limited Company ("NatWest") hasn't refunded money it lost as the result of a scam.

The director of X, Mr V, is bringing the complaint on its behalf via a claims management company. So, in the main, I'll refer to Mr V throughout.

What happened

Both parties are familiar with the circumstances of the complaint, so I'll only summarise the details here.

Mr V said he received an email from someone purporting to be an overseas investor who was interested in investing in real estate through X. Mr V explained they discussed the investment in detail by email and they were represented by a lawyer. He said they provided information such as their investment portfolio and proof of funds, and they signed a joint venture agreement.

Mr V made a payment of £6,087.28 on the belief it would release the funds. After this Mr V said he was told there was a further, significantly larger, fee to release the funds which has led Mr V to believe he has been scammed.

A complaint was made to NatWest, and it wasn't upheld. Unhappy with NatWest's response, X raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn't uphold it.

As an agreement could not be reached, the complaint has been passed to me for a final 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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, 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'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'm sorry that X has been the victim of a scam. I realise the loss is significant to the business and happened at what was a difficult time for Mr V personally, and I don't underestimate the impact this has had on him. However, just because a scam has occurred, it doesn't mean X is automatically entitled to recompense by NatWest. It would only be fair for me to tell NatWest to reimburse X for its loss (or a portion of it) if I thought NatWest ought reasonably to have prevented all, or some, of the payment Mr V made, or if I believed NatWest hindered

the recovery of the payment Mr V made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

In broad terms, the starting position at law is NatWest are expected to process payments and withdrawals that a customer authorises it to make. I appreciate that Mr V didn't intend for X's money to end up in the hands of a scammer but as he authorised the payment in question, on behalf of X, under the Payment Services Regulations 2017 (PSR 2017) X is presumed liable for the loss in the first instance. However, there are some situations when NatWest should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - NatWest should fairly and reasonably:

- Have been monitoring accounts to counter various risks, including preventing fraud and scams.
- Have had 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). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, take additional steps, or make additional checks, before processing a payment, or in some cases decline it altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted 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.

So, I've thought about whether the transaction should have highlighted to NatWest that X might be at a heightened risk of financial harm from fraud.

To gain the full picture of the information NatWest would have had access to, at the time the payment instructions were made, I've reviewed X's account statements. I found several payments made in the months prior to the scam for amounts which are of similar value or higher to the disputed payment. It's helpful to consider the usual account activity when deciding if a payment appears to be out of character, or not. And having done so I don't think it was out of character. I believe the payment can be considered to be of a value that's in-line with how the account was generally used.

I also think the payment wasn't of an unusually excessive value so, I don't think the payment was suspicious in nature. I appreciate it was an overseas payment but that in itself isn't enough to suggest that X was at a heighten risk of financial harm from fraud. I therefore think it was reasonable for NatWest to process the payment in-line with X's instruction to do so.

I've also thought about the Contingent Reimbursement Model which NatWest is a voluntary signatory of. The code doesn't cover international payments and so isn't relevant here.

Recovery

I've thought about whether there's anything else NatWest could have done to help Mr V — including if it took the steps it should have once it was aware that the payments were the result of fraud.

While I think NatWest could have acted sooner in attempting to recover X's losses, in this case the beneficiary bank didn't agree to return funds, and I'm not persuaded that sooner contact from NatWest would have made a difference.

Mr V said not receiving a call back from NatWest caused him unnecessary stress. I don't doubt Mr V when he says this. However, I cannot require NatWest to compensate Mr V personally for the stress he's suffered, as limited company X is the bank's customer, not Mr V.

I'm sorry to disappoint Mr V further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think NatWest needs to refund X's money or pay any compensation. I realise this means X has suffered a financial loss and I'm really sorry it lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against National Westminster Bank Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 22 December 2025.

Charlotte Mulvihill
Ombudsman