

## The complaint

Mr H and Ms N are unhappy that National Westminster Bank Plc will not refund the money they lost as the result of an authorised push payment (APP) scam.

Mr H brought this complaint through a representative, for ease of reading I will refer solely to Mr H in this decision.

## What happened

As all parties are familiar with the details of the scam I will not repeat them here in full. In summary, Mr H made the following three faster payments after a friend told him about an investment opportunity. He sent the money to an account in his name at trading platform 'T'.

payment	date	value
1	24/05/2023	£5,000
2	25/05/2023	£5,000
3	26/05/2023	£3,062

Mr H became aware he had been scammed when he was unable to withdraw money from the portal he had moved it to from his account at platform 'T'.

Mr H says NatWest did not do enough to protect his money. NatWest says it was not the point of loss and did not act in error by following Mr H's payment instructions without intervention. Mr H would have seen an investment warning when he made the first payment as it was a new payee, assuming he'd selected the right purpose for the payment. He did not raise a refund claim with NatWest at the time, the scam was reported over a year later.

Our investigator did not uphold Mr H's complaint. She said the payments were not out of character for Mr H's account so NatWest did need to carry out additional checks before processing them.

Mr H disagreed and asked for an ombudsman's review. He said, in summary, the payments were unusual for him – they were going to an unregulated trading platform which should have been a red flag. A basic check of the recipient through Companies House would have shown that the company was in the process of dissolution – another red flag. Mr H says his financial loss and distress has been made worse by NatWest's failure to prevent or intervene in the fraudulent transactions and its lack of support throughout the process. So he still seeks financial compensation.

## 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.

The first question we typically look to resolve in cases such as these is whether the company

involved was actually operating a scam.

Not every complaint referred to us as an investment scam is in fact a scam. Some cases simply involve high-risk investments that resulted in very disappointing returns or losses. Some investment companies may have promoted products which were not regulated by the FCA—using sales methods that were arguably unethical and/or misleading. However, whilst customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

Banks and other Payment Services Providers have duties to protect customers against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering. But when simply executing authorised payments, they do not have to protect customers against the risk of bad bargains or give investment advice.

There is limited information available about the investment platform 'T' or the onward portal Mr H used. The entry at Companies House Mr H refers to shows 'T' was dissolved in June 2024 but that it offered educational services, not unregulated financial services as Mr H asserts. I have no information on the portal as Mr H has been unable to provide any detailed information about the investment opportunity. He says it was only discussed by phone, and it was then set up on the portal that is no longer accessible. However, I need not make a conclusive finding as to the nature of this scam in order to consider whether NatWest ought to have identified Mr H's payments as out of character, and therefore intervened before processing them.

In broad terms, the starting position at law is that a bank such as NatWest is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. There is no dispute in this case that the payments were authorised by Mr H under the Payment Services Regulations 2017.

So in the first instance Mr H is presumed liable for his losses. But there are other factors that must be taken into account.

To reach my decision I have considered the law, regulator's rules and guidance, relevant codes of practice and what was good industry practice at the time. To note, as the payments were not made to an account held by another person the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

This means I think that NatWest should have:

- been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering, and the financing of terrorism.
- had systems in place to look out for unusual 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 financial institutions are generally more familiar with than the average customer.
- in some circumstances, irrespective of the payment channel used, taken additional steps or made additional checks before processing a payment, or in some cases declined to make a payment altogether, to help protect its customers from the possibility of financial harm.

In this case I do not think NatWest ought to be held liable for the transactions. I'll explain why.

None of the three payments were out of character of Mr H's account. There were several of similar value and with similar frequency in the months prior. A pattern did not emerge which was typical of scam payments such as increasing values, or leaving the account drained.

Mr H argues the nature and status of the beneficiary should have been a red flag – but I don't agree. What Mr H has told us about the recipient, if accurate, would only have come to light had the payments flagged as high risk and had the bank intervened to carry out more checks. And I don't find it needed to do that here based on Mr H's account history. There is a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

So, in the round, I cannot fairly conclude that NatWest ought to have intervened in any of the transactions or to have reasonably suspected Mr H was the potential victim of financial harm. It follows I am satisfied that NatWest was not at fault when it followed Mr H's payment instructions without intervening in some way.

I have then considered if NatWest did what it needed to when it became aware of Mr H's loss which was over a year after the payments were made. As he had moved the money out of the recipient account to the investment portal at time of the scam, NatWest would have been unable to recall any funds even if it had been made aware in a more timely manner. So I do not find any failings on its part in this regard.

This means I am not instructing NatWest to refund any money to Mr H. Nor have I found any grounds to award the compensation he asked for. I'm sorry he lost a considerable amount of money which was very distressing for him. I can understand why he would like to be compensated for his losses. And I do accept Mr H has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened, and/or for the distress the scam caused. For the reasons set out above I do not find NatWest can be held liable in the circumstances of this case.

### **My final decision**

I am not upholding Mr H and Ms N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Ms N to accept or reject my decision before 1 July 2025.

Rebecca Connelley  
**Ombudsman**