

The complaint

Miss F complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") has unfairly held her liable for, and hasn't refunded to her, transactions made on her NatWest account between March and June 2024.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Miss F made some payments from her NatWest account between March and June 2024 for online gambling. She has said the merchants were operating a scam. Ultimately, NatWest hasn't reimbursed Miss F, and Miss F 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'm very 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. 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, reflecting 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 already explained by our Investigator. There's no need for me to repeat these reasons here, but in brief summary:

- A consumer should only be responsible for transactions made from their account that they've authorised themselves. I understand Miss F didn't dispute with NatWest that she authorised at least some of the disputed transactions. But our Investigator explained why she thought the transactions should be considered authorised. The information I've seen from NatWest, including information about IP addresses, device used, and 3D-Secure verification, supports this. I've seen no other persuasive information that leads me to doubt this. So, I'm persuaded Miss F authorised these transactions. Under The Payment Services Regulations and the terms and conditions of her account, Miss F is therefore presumed liable for the payments in the first instance.
- This isn't the end of the story. As a matter of good industry practice NatWest should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect NatWest to stop and check every payment instruction. There's a balance to be struck between identifying payments

that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds). And in this case, I agree with our Investigator, that these transactions weren't individually or collectively, spaced as they were, unusual or uncharacteristic, compared to Miss F's prior account activity, for me to say I'd reasonably expect NatWest to have intervened in them before following the instructions it received to make them. In deciding this, I've considered everything Miss F has said about these card transactions not having been coded as gambling transactions. But this wouldn't be something NatWest was responsible for, so this wouldn't have been a reason for them to prevent the transactions. I therefore can't say NatWest unreasonably failed to prevent the payments.

- Like our Investigator, unfortunately for Miss F, I can't see that chargebacks were ever likely here to have a realistic prospect of success. Miss F has said the transactions weren't coded as gambling transactions when they should have been. However, the evidential requirements for chargebacks like this to succeed at arbitration are very high. For example, Miss F would have needed to have provided suitable evidence from the gambling merchant(s) that they weren't entitled to use a non-gambling code in the course of their overall business. In circumstances like this, and taking into account the other points around chargeback our Investigator explained, I can't say I'd reasonably expect NatWest to have been able to recover these transactions for Miss F through chargebacks.

I've considered everything Miss F has said, including what she's said about the merchants not holding correct licensing, and generally everything she's said about why she thinks she was scammed. However, not being licensed to operate in the UK wouldn't automatically be the same thing as the websites being scams. Our Investigator explained why she wasn't persuaded there was enough to say things were misrepresented to Miss F. And I'm sorry to say, as I know Miss F will be disappointed, but I can't see in this case how I could fairly say NatWest should reimburse Miss F in circumstances where I think she authorised the transactions, I wouldn't have expected NatWest to have prevented them, and there doesn't seem to be any other way in which it's persuasive Miss F ought otherwise to have been able to recover the payments through NatWest.

I understand Miss F struggles with a gambling addiction and I'd like to make it clear here to both parties that NatWest has said that Miss F's current card doesn't have any gambling block on it at present. I'd strongly encourage Miss F and NatWest to make contact with each other to discuss how best to set things up from here moving forwards.

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 Miss F to accept or reject my decision before 30 December 2025.

Neil Bridge
Ombudsman