

The complaint

Mr and Mrs M complain that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") won't refund money they lost when they fell victim to an investment scam.

Mr and Mrs M are being represented by a claims management company.

What happened

Mr and Mrs M say they fell victim to a scam after they sent several payments totalling just over £61,000 throughout 2022. These were made in connection with an investment opportunity with a company – I'll refer to it as "T" – which they now believe to be a scam.

Mr and Mrs M say they were invited to a webinar about investment opportunities and introduced to T. They reviewed its website as well as its brochures. Mr and Mrs M also researched the company online and checked customer reviews. They understood they could earn between 5-7% monthly returns on their investment. The deposits were made in cryptocurrency which Mr and Mrs M purchased from a cryptocurrency provider by making payments from their joint NatWest account.

Mr and Mrs M state that T later converted everyone's cryptocurrency balances into its own cryptocurrency coin. All communication stopped when the cryptocurrency coin became worthless, leading Mr and Mrs M to realise that they had been scammed.

NatWest refused to refund the disputed payments. It said the funds were sent to another account in their control and as such the loss didn't stem from the NatWest payments. Unhappy with this outcome, Mr and Mrs M complained and later referred their complaint to our service.

Our investigator didn't uphold the complaint. They didn't think the disputed payments were particularly unusual or suspicious given previous account activity such that NatWest should reasonably have been expected to prevent them. Mr and Mrs M disagreed that the payments weren't unusual and argued that had the bank asked questions, the scam would have been uncovered based on their answers.

The investigator considered Mr and Mrs M's appeal but remained unconvinced that any intervention would have stopped them from going ahead with the payments. They explained that even if NatWest had questioned Mr and Mrs M, given the due diligence carried out and documentation received, it's unlikely that they would have changed their minds.

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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I have read and considered everything that's been provided.

I recognise Mr and Mrs M feel strongly that they were scammed, and NatWest ought to have intervened. I've carefully reviewed their submissions, but I've not seen sufficient evidence to persuade me that T was set up with the intention to defraud customers. Briefly, I can see that the entity Mr and Mrs M's dealings were with was incorporated in an overseas jurisdiction and remains regulated by that jurisdiction's regulator. And while I can see that the specific entity was named on investor alert lists by two overseas regulators for carrying out certain activities without appropriate license, and in 2023 its regulator took steps to address management issues and shareholder influence, a scammer is highly unlikely to submit itself to any kind of regulatory oversight, given the real risk of its true purpose being discovered. Some brokers may have promoted investment products using sales methods that were arguably unethical or misleading. While I accept that T may not have been regulated to offer its services in the UK at the time of Mr and Mrs M's payments (it did hold passporting rights previously), and there appear to be poor business practices in some areas, this doesn't automatically mean that T was set up to scam customers.

Even if I were to accept that Mr and Mrs M were scammed by T, it doesn't mean that NatWest becomes liable to reimburse or refund them. I'll explain why.

Under regulations and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr and Mrs M made the payments, and so they are authorised. But in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert it to potential fraud or financial crime, the bank might be liable for losses incurred by its customer as a result.

I've looked at the operation of Mr and Mrs M's account in the year leading up to the disputed payments. Having done so, I don't consider the transactions they seek reimbursement for are that unusual such that I think NatWest ought to have made enquiries. As the investigator noted, Mr and Mrs M's account statements show various undisputed payments for £20,000 (which is twice the amount of a single payment that's in dispute). I can also see multiple large value payments in a single day. As such, the disputed transactions, which ranged between £600-£10,000, wouldn't have appeared as out of character or suspicious. I acknowledge that the disputed transactions were cryptocurrency related, but that in and of itself doesn't mean that NatWest should have paused them. The transactions were spread across a 12-month period with gaps of days if not weeks. Overall, I'm not persuaded that NatWest acted unfairly in executing Mr and Mrs M's authorised transactions.

Even if I were to make a finding that some of the payments ought to have flagged as unusual, and NatWest should have intervened, I'm not persuaded that Mr and Mrs wouldn't have gone ahead with them. This is because they would have told the bank that they'd done as much due diligence as they could, and everything had checked out. As there was no adverse information about T in the public domain at the time of the payments, other than the investor alerts which I've addressed above, I'm not persuaded anything about Mr and Mrs M's responses would have indicated to NatWest or them that they were investing in a scam. Their representative has provided website articles which make reference to T as a scam company. I acknowledge that such information *could* have given some cause for concern. However, these articles are from 2025 – nearly three years after the payments were made.

Once Mr and Mrs M contacted NatWest about the payments in 2024, I don't think it could have done anything more to attempt recovery. This is because Mr and Mrs M made the payments from their Revolut account to purchase cryptocurrency, which was provided by the cryptocurrency platform. Therefore, any attempt to recover the payments would have no prospects of success.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 9 June 2025.

Gagandeep Singh
Ombudsman