

## **The complaint**

Mr S complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't refund the money he lost to a property investment opportunity, that he now considers was a scam.

Mr S is being represented by a claims management company in this complaint.

## **What happened**

Mr S made three payments to a firm, which I'll call H, in 2018 for what he believed was an investment opportunity. Mr S says he received some small returns, but he has not been able to withdraw or recover any further funds - so he thinks it was a scam.

There has been little information provided regarding the circumstances of the disputed payments, beyond the above, so I've kept the background brief.

In response to the complaint from Mr S, NatWest said that it had not investigated any scam claim but said it would refer it to that department to look at. It said as a general principle, NatWest was required to make payments in accordance with the instructions of its customers. It said it could deviate from this when it had reasonable grounds to suspect a payment would result in the customer being the victim of fraud or a scam, but it had no concerns about the payments in dispute.

NatWest also said the payments were before the introduction of the Contingent Reimbursement Model (CRM) Code, so that wasn't a consideration.

After the complaint was referred to the Financial Ombudsman Service, NatWest said it hadn't reached an outcome on the scam claim for payments to H. It said this was because it hadn't received any responses to the queries it put to Mr S and his representatives.

Our Investigator concluded there wasn't enough evidence to show the payments to H were made as a result of a scam. They noted Mr S said the payments made to H were connected to group of companies, who I'll refer to as H2. The Investigator said that if this was the case, then the Financial Ombudsman Service had concluded that disputes about H2 didn't meet the definition of an authorised push payment (APP) scam.

In response to the Investigator's view, Mr S' representatives argued that they had not considered the appropriate test when considering the CRM Code, and did not give appropriate weight to certain evidence, which indicated H and H2 was a Ponzi scheme.

Mr S' representatives provided a forensic accountant's report, legal advice it had received, and a High Court judgement, made against a company that formed part of H2.

As Mr S and his representative disagreed with the Investigator, the complaint has been passed to me to make 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.

Having done so, I have decided to not uphold this complaint. I know this will be disappointing for Mr S, but I'll explain why I've reached that conclusion.

It isn't in dispute that Mr S authorised the payments he made to H. Because of this the starting position – in line with the Payment Services Regulations (PSRs) 2017 – is that he is liable for the payments. But he also says that he has been the victim of an APP scam.

Mr S hasn't provided any evidence to show his payments to H were made as a result of a scam, or that they were connected to H2. However, despite the lack of evidence provided, I'm aware that H was a subsidiary of H2, so on balance, I'm satisfied that the payments were likely connected H2, as Mr S alleges. So, for ease I'll assume both are connected and I'll just refer to H from this point onwards.

In order to determine if Mr S has been the victim of an APP scam, I need to consider if H was a dishonest scheme, one that was intended to deceive him into parting with his money. To do this I've considered whether Mr S' intended purpose for making the payments were legitimate, whether the intended purposes he and H had were broadly aligned and, if not, whether this was the result of dishonest deception on the part of the H.

Despite requests to Mr S and his representatives, we've not been given the background in relation to the payments Mr S made to H. So, I don't know what he believed he was specifically investing in, but Mr S has said he understood it would run for seven years, after which he'd double his money. I accept that H may have failed to deliver whatever Mr S thought he was expecting from the investment. However, I haven't seen any clear evidence this was always what it intended; or that at the time of the payments, it planned to use Mr S' funds in a different way to what was agreed.

Mr S said the payments were made for a property investment. I've seen evidence that three building projects were completed by H, and they also had other projects ongoing. However, these had to be sold to other developers after they entered financial difficulty. On balance, I think this shows H was a legitimate company involved in legitimate building projects and I think it's unlikely a scam company would have completed three large scale building projects at significant cost in order to entice more funds from investors.

The liquidator for H has not provided any evidence to suggest they were acting fraudulently or operating a Ponzi scheme. While it appears that H has not managed their finances correctly, I don't think this therefore means they were conducting a scam or that they intended to scam investors at that time.

As I've said, during this period in question, H was completing development projects around the country, and I think this highlights that they intended to use customer's investments in these development projects.

Mr S' representative submitted evidence of an order judgement against one of the other companies in H – which suggests this company traded while insolvent. This is one company within the group though and again it's not enough to reach the conclusion funds weren't used for the intended purpose. Ultimately while the information Mr S' representatives provided, does indicate there may have been some poor business practices, it isn't enough to say H was operating a scam.

On balance, I think H's intended purpose for the funds matched Mr S' and nothing I have seen indicates to me that H intended to defraud him. Instead, I think the evidence suggests this was a failed investment, so I don't think it meets the definition of an APP scam. And I think NatWest acted reasonably when it treated the case as a civil dispute.

Given the conclusion that the payments were not fraudulent, the expectations on NatWest, to act to protect customers who may be at risk from financial harm from fraud is not triggered here. This includes the expectations under the CRM Code, which wouldn't have applied anyway, given the disputed payments pre-dated its introduction.

I acknowledge further evidence may come to light at a later date, which may indicate H was operating a scam. Should such evidence come to light, then Mr S can complain to NatWest again, and refer the matter to this office, should he not be happy with the outcome.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 January 2026.

John Ryan  
**Ombudsman**