

Complaint

Mr F is unhappy that National Westminster Bank Public Limited Company ("NatWest") didn't reimburse him after he reported falling victim to a scam. It appears that Ms F interacted more with the fraudsters, but the payments were made from Mr F's account. For simplicity's sake, I've generally referred to Mr F in the text of this decision.

Background

In early 2022, Mr F was the victim of an investment scam. He was introduced to the opportunity by a mutual friend and was told he could expect to quadruple his investment. He made four payments in total, amounting to £15,803.90. These payments were largely funded by a £15,000 loan he had taken out with NatWest, which he stated was for "*home improvements*". The payments were made as peer-to-peer cryptocurrency purchases. This means the funds were sent directly to a private individual who, in return, transferred cryptocurrency to Mr F. That cryptocurrency was subsequently transferred into the control of the fraudsters.

When he realised he'd fallen victim to a scam, he told the bank. It didn't agree to refund him. He wasn't happy with that response and so he referred his complaint to this service. It was looked at by an Investigator who didn't uphold it. Mr F disagreed with the Investigator's opinion and so the complaint has been passed to me to consider and come to a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Under the Payment Services Regulations 2017 and the terms and conditions of Mr F's account, NatWest was generally required to process payments that Mr F authorised. There is no dispute that the payments in question were authorised, and so he is presumed liable for them in the first instance. However, that is not the end of the matter. In line with good industry practice, NatWest was expected to monitor for unusual or out-of-character account activity that might indicate a risk of fraud. Where such activity was identified, I would expect the bank to take appropriate steps to protect its customer. This could include providing a clear warning during the payment process or contacting the customer to understand the context of the transaction.

In this case, I consider that NatWest ought to have had concerns about the pattern of payments. While the first payment of £803.90 was relatively modest and did not, in my view, require intervention, the subsequent three payments of £5,000 each were significantly out of keeping with Mr F's usual account activity. Given the size and nature of those payments, I don't think the bank should have processed the second payment without first contacting Mr F to explore the circumstances. As far as I can see, it did not do so.

However, identifying a failing on the part of the bank does not, in itself, mean that the complaint should be upheld. I must also be satisfied that the bank's error caused the loss. In

other words, I need to be persuaded that, had NatWest acted as it ought to have done, the outcome would have been different.

The bank should've contacted him and asked him some basic questions about the circumstances of the payment. I must consider how he would've responded to those questions. He told the bank that he was borrowing £15,000 to fund home improvements. He has since explained that he gave this reason (rather than stating the loan was for investment purposes) because he believed it was necessary to ensure the loan would be approved. On balance, I think it's likely that, had the bank queried the purpose of the payments at the time, he would have repeated the same explanation. This is a common and everyday reason for borrowing money, and I consider it likely that the bank would have found the explanation satisfactory.

Mr F has argued that the bank should have been concerned about him borrowing money to purchase cryptocurrency. However, the payments in question were made on a peer-to-peer basis, meaning they were sent directly to private individuals. From the bank's perspective, these transactions would have appeared as standard payments to other individuals, without any indication that they were being used to acquire cryptocurrency. As such, I don't think the bank could reasonably have identified the nature of the transactions solely from the payment details.

In fact, given that the payments were made to accounts in the names of private individuals, it would have been entirely plausible for NatWest to assume that the payee was a contractor carrying out home improvement works for Mr F. This would have aligned with the stated purpose of the loan and would not have raised any obvious concerns.

For the sake of completeness, I also considered whether NatWest did everything I'd expect in terms of recovering Mr F's funds from the receiving account. However, these payments were to purchase cryptocurrency, which was successfully transferred into his control, albeit temporarily. In those circumstances, there wouldn't be any basis on which the bank could seek to have funds returned.

I don't say any of this to downplay the fact that Mr F has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for him and the position he's found himself in. Nonetheless, my role is to look at the actions and inactions of the bank and I'm not persuaded that any potential failing on its part was the cause of his losses here.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 10 September 2025.

James Kimmitt
Ombudsman