

The complaint

Mrs D complains that National Westminster Bank Public Limited Company (NatWest) didn't protect her from an investment scam.

Mrs D is being supported in making her complaint by a representative. But for ease, I'll only refer to Mrs D in this decision.

What happened

Mrs D has said that in April 2022 she was introduced by a friend to an investment opportunity (with a company that I'll refer to here as 'C'). Mrs D has explained that she was aware of other friends who were investing in 'C' and receiving returns. And after attending meetings where the investment was further explained, she decided to invest.

Mrs D made the following faster payments from her NatWest account to 'C' via a legitimate crypto exchange (which I'll refer to here as 'D Ltd').

Date	Amount
9 April 2022	£1,000
10 April 2022	£4,500
12 April 2022	£3,600
22 April 2022	£700
5 May 2022	£8,800
5 May 2022	£600
26 August 2022	£650
25 July 2023	£5,000
Total	£24,850

NatWest didn't flag any of the payments as suspicious.

Mrs D has said that 'C' held monthly meetings about the investment and kept her regularly updated. But by the end of 2023, she said she started to encounter problems with 'C' and has now come to the realisation that she's lost her money.

On 5 November 2024 Mrs D made a complaint to NatWest. She said she'd been the victim of a scam, and that NatWest hadn't done enough to protect her. Mrs D therefore held NatWest responsible for her loss. She wanted NatWest to refund her, together with 8% interest and £300 for the distress and inconvenience caused.

In response, NatWest said Mrs D had authorised the payments and they didn't look unusual or suspicious; and they were made to an account in Mrs D's own name.

Mrs D referred her complaint to the Financial Ombudsman.

One of our Investigators considered the complaint but didn't uphold it. Essentially, she didn't think the payments would've looked unusual or out of character to NatWest given Mrs D's previous account activity – both in terms of value and destination; given Mrs D had previously sent money to a crypto exchange.

Our Investigator also didn't think the velocity of the payments was indicative of suspicious activity. But even if NatWest had warned Mrs D about the payments, she didn't think this would've prevented Mrs D's loss given she'd been introduced to 'C' by a trusted friend and had no obvious concerns about its legitimacy.

Our Investigator also concluded that there wasn't any reasonable prospect of NatWest recovering the lost funds, nor did she think there were grounds for NatWest to pay Mrs D any compensation for distress and inconvenience.

Mrs D didn't agree. In summary, she said the payments should've looked suspicious to NatWest and were at odds with her previous account activity. She said other large payments made prior to the scam were linked to an inheritance – and so not indicative of 'normal' account activity. And that she had only made one previous payment linked to crypto.

Mrs D added that the payments to 'D Ltd' were "*multiple and recurring*" and maintained that intervention by NatWest would've prevented her loss.

The complaint has now been referred to me for 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've decided not to uphold this complaint for largely the same reasons as our Investigator. I know this isn't the answer Mrs D was hoping for, and so this will come as a disappointment. I'm really sorry to hear about the situation she's found herself in, and I can understand why she'd want to do all she can to recover the money she lost. But I need to decide whether NatWest can fairly and reasonably be held responsible for Mrs D's loss. Overall, I've decided that it can't be.

But first, I'd like to say that I've considered this case on its own merits and have summarised it in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. It's simply because my findings focus on what I consider to be the central issues in the specific circumstances of this complaint – that being whether NatWest could've prevented Mrs D's loss.

It's accepted that Mrs D has likely been the victim of a scam. But the transactions she made towards the investment were authorised payments. So, Mrs D is presumed liable for the loss in the first instance.

However, I consider that as a matter of good industry practice at the time (and now) that a bank, such as NatWest, ought to have taken steps to intervene prior to processing a payment instruction where it had grounds to suspect a payment might be connected to a fraud or a scam. Any such intervention should've been in proportion to the level of risk perceived.

The question then arises whether NatWest ought reasonably to have held such suspicions or concerns in relation to Mrs D's payments — and if so, what might've been expected from a proportionate intervention.

So, taking all of this into account, I need to decide if NatWest acted fairly and reasonably in its dealings with Mrs D when she made the payments. Specifically, whether it should've done more than it did before processing the payments – and if it had, would that have made a difference. I also need to decide if NatWest could've reasonably recovered the lost funds.

Should NatWest have intervened in Mrs D's payments?

Firstly, I've considered the 2022 payments in conjunction with Mrs D's previous account activity. Between July 2021 and April 2022, Mrs D made ten payments ranging from £1,000 to £20,000 to various payees. I appreciate Mrs D has said those payments were sourced by

a £50,000 inheritance that entered her account on 1 July 2021 – but regardless of that, this previous account activity shows that large payments had left Mrs D's account in the past – payments that were, overall, larger than the payments she made to 'D Ltd'.

What is also of significance here is that I can see from Mrs D's statement that just one day before the first disputed payment, she made two undisputed payments (not one as she's claimed), to another crypto exchange for £4,750 each (£9,500 in total).

NatWest must strike a balance between allowing legitimate payments to be processed and applying unnecessary friction to a customer's account. And in the specific circumstances of this complaint, I don't think it was unreasonable for NatWest to have concluded that Mrs D's 2022 payments, based on their amount and purpose (crypto), were in line with Mrs D's previous account activity.

Further to that, the payments were not made in quick succession, as they were made over a period of four months and they didn't sequentially increase in value. This isn't usually conducive with fraudulent activity. So again, taking everything into account, I'm not persuaded that the 2022 payments should've given NatWest any obvious cause for concern.

Turning now to the £5,000 payment to 'D Ltd' made on 25 July 2023. By the end of 2022 many banks had placed restrictions or additional friction on crypto purchases because of the increasing prevalence of crypto investment scam. So, by July 2023 I'd expect NatWest to recognise the elevated risks associated with a £5,000 payment to a crypto exchange – regardless of the fact Mrs D had made payments to 'D Ltd' (and another crypto exchange) previously.

And so, I think it would've been reasonable for NatWest to have provided Mrs D with a tailored written warning relevant to crypto investment scams before processing the £5,000 payment.

If NatWest had provided a warning of the type described, would that have prevented the loss of the £5,000 payment?

For me to find it fair and reasonable that NatWest should refund the £5,000 payment to Mrs D requires more than a finding that NatWest ought to have intervened.

I would need to find not only that NatWest failed to intervene where it ought reasonably to have done so — but crucially, I'd need to find that but for this failure the subsequent loss would've been avoided.

That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that a tailored written warning relevant to crypto investment scams presented by NatWest wouldn't have revealed the £5,000 payment was part of a fraud or scam, then I couldn't fairly hold it liable for not having prevented it from being made.

In thinking about this, I've considered what I think, on balance, the result of NatWest presenting Mrs D with a tailored written warning relevant to crypto investment scams before processing the £5,000 payment would most likely have been.

There were several global regulatory warnings and negative reviews about 'C' from December 2019, and Mrs D now has obvious concerns about 'C's motives. But at the time of making the £5,000 payment she thought the investment was entirely legitimate. She's explicitly said that it was only towards the end of 2023 that she started to encounter problems, and not until 2024 that she had confirmation that she'd lost her money.

Also, from the information Mrs D has provided, I don't believe that her interactions with 'C' displayed the common hallmarks of a crypto investment scam that would've likely been highlighted in a tailored written warning from NatWest; particularly at the point of the July 2023 £5,000 payment. Let me explain.

Mrs D wasn't pressured to invest and whilst 'C' held monthly meetings and kept her regularly updated, I've seen no evidence of an individual third party having a concerning level of influence over her investment choices or who had control of her crypto wallet. And the payments were made over a 14-month period and didn't sequentially increase in value.

In terms of withdrawals, Mrs D has said that:

"Trading gains and commissions were earned and accumulated on the platform. Withdrawals had slowed down when [Mrs D] ... but they were informed in corporate zoom meetings that a debit card was being developed to enable an alternative withdrawal mechanism, so [Mrs D] trusted the process".

Mrs D has also said she was aware of other 'investors' who had been able to make successful withdrawals. This, combined with the fact Mrs D could see financial gain on her trading platform, and was being kept informed by 'C' about issues with the withdrawal process, leads to me to conclude that any warning from NatWest about ensuring the ability to be able to make withdrawals was unlikely to have resonated with Mrs D in July 2023.

Furthermore, Mrs D has said she was told that this *"was not an investment but a purchase with a contract that said that Forex Trading would be done using 70% of the capital paid, until double the package value was earned"*. She's also explained that her funds were being used to purchase the 'trading training package'. So again, not the typical set up of a crypto investment scam.

I've thought also about how Mrs D found out about the investment. Mrs D has said that she was introduced to 'C' by a trusted friend who was already investing in 'C'. So, she wasn't contacted out the blue, nor had she found the opportunity on social media. It had also been her decision to invest.

Mrs D has said that before making the first payment she:

"attended live zoom calls from leaders in the community and a corporate zoom call, and spoke to other members about their experience which was very encouraging. People had withdrawn from their accounts and there was a history of the system working. There were also videos about due diligence made by other leaders which they found helpful".

So, taking all this into account, I'm not persuaded that a tailored written warning from NatWest about the risks of crypto investment scams at the point of the £5,000 payment would've resonated with Mrs D. But even if it did cast *any* doubt on what she was doing, which I maintain is unlikely, I think it's more likely than not that she'd have sought reassurance from her friend or other investors.

Did NatWest do enough to try and recover the lost funds?

On a final note, I've also considered whether, on being alerted to the scam, NatWest could reasonably have done anything to recover Mrs D's losses, but I don't think it could. The funds were transferred via Mrs D's account with 'D Ltd', so there wouldn't have been any funds left to recover (as it had already been forwarded on as part of the scam). But even if there were funds remaining, Mrs D would've had access to them and could've withdrawn them herself.

I have a great deal of sympathy for Mrs D and the loss she's suffered. But it would only be fair for me to direct NatWest to refund her loss if I thought it was responsible – and I'm not persuaded that this was the case. And so, I'm not going to tell it to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision **before 31 October 2025**.

Anna Jackson
Ombudsman