

## The complaint

Mr J complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') won't reimburse the funds he lost when he says he was the victim of a scam.

## What happened

Mr J says that he made the payments in the table below to a company I'll call H for an investment relating to property development.

Date	Amount
31/05/18	£10,000
01/06/18	£20,000
04/06/18	£20,000
04/06/18	£20,000
06/06/18	£20,000
06/06/18	£10,000
Total	<b>£100,000</b>

H went into administration in early 2022 and Mr J says he hasn't received his capital or returns.

In May 2024 Mr J complained to NatWest through a professional representative. He said H was operating a scam and that NatWest failed to adequately protect him when out of character payments were made, so should reimburse his full loss. Mr J's representative referred to the BSI PAS 17271:2017 Code of Practice, the Banking Conduct of Business Sourcebook, the Banking Protocol and to changes in approach to fraud and financial crime since 2018.

NatWest said that Mr J had entered into a high-risk investment and that he should approach administrators to try to recover his funds. It went on to say that it provided relevant warning messages at the time the payments were made and that its fraud prevention system didn't trigger additional checks.

Mr J was unhappy with NatWest's response and brought a complaint to this service.

The investigator who considered Mr J's complaint didn't recommend that it be upheld. She said that intervention by NatWest wouldn't have made a difference and prevented Mr J's loss.

Mr J didn't agree with the investigator's findings, so his complaint has been passed to me to decide. He said the main basis of his complaint was NatWest's failure to intervene and uncover the risk he was taking with a high-risk, unregulated investment.

## **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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice (including PAS 17271:2017 and the other points raised by Mr J's representative); and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. But there are circumstances when it might be fair and reasonable for a firm to reimburse a customer even when they have authorised a payment.

At the time the transactions were made, NatWest should have been on the look-out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). And, in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

Having considered Mr J's bank statements for the twelve months before Mr J invested, I'm not persuaded the payments to H were so unusual and out of character that NatWest ought reasonably to have recognised a heightened risk of harm and taken additional steps before processing them. Mr J had made five payments of over £100,000 in this period. He had also made multiple payments to the same payee, mostly on consecutive days. Between 18 April and 20 April 2018 Mr J made eight payments of £14,500 to the same payee. So I'm not persuaded the transactions to H were 'without precedent' as Mr J's representative has said.

In any event, I can't uphold Mr J's complaint solely on the basis that NatWest didn't intervene. I need to go on to consider causation – whether suitable intervention would have made a difference to Mr J's decision making, or whether NatWest could have reasonably prevented the loss. In deciding this, I need to consider the information that was available at the time the payment was made.

I'm not persuaded that if NatWest asked Mr J the kind of questions I'd have expected it to, it would have had any concerns, or that the payment would not have been made. H was a legitimate company that at the time the payment was made was paying returns to other investors. Detailed documentation was provided and there was nothing in the public domain at the time to suggest NatWest should have been concerned that Mr J might be falling victim to a scam. And it wasn't for NatWest to provide investment advice.

I'm really sorry to disappoint Mr J, as I know he has lost a significant amount of money and is in poor health. But I'm not satisfied that I can fairly ask NatWest to refund him.

## **My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 24 October 2025.

Jay Hadfield

**Ombudsman**