

The complaint

Mr H complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') hasn't refunded the money he lost after falling victim to an authorised push payment ('APP') romance scam.

Mr H referred his complaint to this service with the help of a professional representative. However, for ease of reading, I've referred only to Mr H within my decision.

What happened

The circumstances of the complaint are well-known to both parties. So, I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

Around November 2022, Mr H was contacted by a female third-party (whom I'll refer to as 'L') on a well-known social media platform. They exchanged messages on that platform and also via an instant messaging service. Mr H believed that he and L were in a romantic relationship, but unbeknownst to Mr H at the time, L was actually a scammer.

Between 7 November 2022 and 3 January 2023, Mr H made 37 faster payments, totalling £6,309, to 33 different payees. Five of those payments, totalling £1,142, were returned to Mr H by the beneficiary bank, leaving Mr H with a loss of £5,167.

In December 2024, Mr H raised a complaint with NatWest and asked for a refund. NatWest didn't think it had made any errors when the scam payments were made and so it declined to reimburse Mr H.

Unhappy with NatWest's response, Mr H referred his complaint to this service. Our Investigator considered the complaint but didn't uphold it. In summary, they said Mr H hadn't acted reasonably when making the scam payments and they weren't persuaded NatWest could've prevented Mr H from making the payments or done anything to recover his loss once it was aware of the situation.

Mr H didn't accept our Investigator's opinion. As an agreement couldn't be reached, the complaint has been passed to me to decide.

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 in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account.

It's not in dispute that Mr H made the scam payments. So, the payments were authorised and under the Payment Services Regulations, the starting position here is that Mr H is responsible for the payments (and the subsequent loss) despite the payments being made as the result of a scam.

However, that isn't the end of the story. At the time Mr H made the scam payments, NatWest was signed up to the Lending Standards Board's Contingent Reimbursement Model ('CRM') Code, which was in place until 6 October 2024. The CRM Code required firms to reimburse customers who had been the victims of APP scams like this, in all but a limited number of circumstances.

NatWest considers that under the CRM Code there is an exception to reimbursement. The CRM Code states at R2(1):

"A Firm may choose not to reimburse a Customer if it can establish any of the following matters in (a) to (e). The assessment of whether these matters can be established should involve consideration of whether they would have had a material effect on preventing the APP scam that took place..."

(c) In all the circumstances at the time of the payment, in particular the characteristics of the Customer and the complexity and sophistication of the APP scam, the Customer made the payment without a reasonable basis for believing that:

(i) the payee was the person the Customer was expecting to pay;

(ii) the payment was for genuine goods or services; and/or

(iii) the person or business with whom they transacted with was legitimate..."

I've carefully considered NatWest's representations about why it shouldn't have to reimburse Mr H's loss under the CRM Code. I've also taken into consideration Mr H's testimony and the evidence he's provided of the scam.

I'm really sorry to disappoint Mr H, but I think NatWest has fairly established that a valid exception to reimbursement applies in this case, specifically that Mr H made the scam payments without a reasonable basis for believing that the person with whom he transacted with was legitimate. I'll explain why below.

Mr H was contacted by the scammer, unexpectedly, on social media. Communication with the scammer continued via an instant messaging service, but Mr H was never able to successfully speak to the scammer via phone or video call. As a result, he had no way of knowing who he was communicating with. When taking the decision to send money to a third party he'd never met, I'd have expected Mr H to have carried out some checks to ensure they were a legitimate person and actually existed.

I appreciate the scammer did send Mr H a picture of the female Mr H thought he was communicating with – and in the picture, they were holding a piece of paper with his name on. However, this was a still image, not a video or video call and would've been relatively easy to manufacture. So, to my mind, this isn't satisfactory to say Mr H acted reasonably in assuming he was indeed communicating with the person in the picture and so I'm not persuaded he has a reasonable basis for believing the scammer was who they said they were.

Throughout the scam, Mr H was asked to make payments for a variety of reasons, some of which seem quite obscure and unbelievable, as were the excuses given for not meeting Mr H multiple times when they had planned to meet (including being arrested and also deported). These requests and excuses weren't questioned by Mr H or evidenced by the scammer. As a result, I think Mr H ought to have acted with more caution.

Mr H had to pay 33 different payees. He's explained that the payees were the scammer's friends, and they would withdraw the funds in cash and give this to the scammer, as he was led to believe the scammer didn't have their own bank account. I think this should've given him cause to be concerned, given he was relying on third parties he'd never met, to withdraw cash and give it to a third party who he also hadn't met. I also think the large number of different payees was suspicious and Mr H ought to have questioned what he was being asked to do.

Overall, whilst I appreciate Mr H thought he was in a romantic relationship with the scammer, I've seen no convincing evidence to demonstrate he had a reasonable basis for believing this. Throughout the scam, there were warning signs to suggest the scammer wasn't real, but these were ignored. So, I don't think NatWest was wrong to say he shouldn't be reimbursed under the CRM Code.

Whilst I've established that Mr H didn't have a reasonable basis for belief, I also need to consider whether NatWest met its expectations under the CRM Code, which required it to give an effective warning when it identified (or reasonably ought to have identified) an APP scam risk.

The value of the scam payments (including those that were returned by the beneficiary bank) ranged from £50 to £800. So, the values of the payments weren't so remarkable that on their own they reasonably ought to have given NatWest cause for concern that they demonstrated Mr H was at risk of financial harm from fraud.

The payments took place over a period of two months, so they weren't made in quick succession. The payments were often spaced out, with payments being made on the same or consecutive days rarely occurring. So, there wasn't an obvious pattern, indicative of a scam, at the time the scam payments were made.

I accept that Mr H paid a large number of new payees during this time, which was suspicious. However, the values of the payments were relatively small and so I wouldn't have expected NatWest to have been concerned that Mr H was being scammed.

As a result, I'm not persuaded NatWest needed to provide Mr H with an effective warning, as defined by the CRM Code, at the time the scam payments were made.

Each time a new payee was created, NatWest did show Mr H a scam warning. Amongst other things, this warning advised Mr H to be wary of paying someone he'd only met online as it could be a romance scam. As I've explained above, I don't think NatWest needed to give Mr H an effective warning when the scam payments were made. So, I'm satisfied that NatWest's warnings were proportionate in the circumstances.

NatWest did go beyond providing a new payee warning on four separate occasions. Two payments were stopped by NatWest for an automated payment check to ensure the payments were genuinely authorised. Mr H confirmed he'd authorised those payments. As these were automated payment checks, Mr H wasn't required to speak to NatWest, and I don't think there were grounds for him to do so.

A third payment was stopped, and Mr H had to speak to NatWest. During the call, he explained that he wanted the payment to be cancelled as he'd already sent it from an account he held with another of his banking providers. During that call, Mr H explained that he had sent a lot of money to his girlfriend, which indicated Mr H might have been at risk of falling victim to a romance scam. However, he also explained that he had been the victim of an impersonation scam using the instant messaging service before, and – as his son worked in cyber security – this meant he was well aware of scams similar to the one he was (unknowingly at the time) falling victim to. So, I don't think it was unreasonable that NatWest decided not to probe him any further.

A fourth payment was also blocked by NatWest and Mr H had to speak to NatWest to discuss the purpose. During the initial call to discuss the payment, Mr H expressed his dissatisfaction that NatWest had stopped the payment, and the advisor had to terminate the call because of the way Mr H was speaking to them. There was a subsequent call to discuss the payment, and again Mr H expressed his dissatisfaction that NatWest hadn't allowed the payment to go through. Ultimately, that payment wasn't successful and Mr H didn't make any further payments from his NatWest account because of the scam and any further loss from NatWest was prevented.

In the circumstances, I think NatWest's intervention was proportionate to the risks demonstrated by the payments, meaning I don't think it failed to meet the standards expected of it under the CRM Code. In any event, even if I were to say NatWest hadn't met the required standards (which, for clarity, I don't think is the case here), I'd have to bear in mind whether an effective warning would've had a material impact on preventing the scam.

When payments were blocked by NatWest or returned by the beneficiary bank, Mr H used at least one other account to continue making the payments, circumventing any restrictions that were in place, to ensure funds were sent to the scammer. When he spoke to NatWest, Mr H was annoyed and frustrated that NatWest was preventing him from doing what he wanted with his money and considered the intervention to be inconvenient. So, I don't think he appreciated that NatWest was attempting to prevent him from losing money to a scam. So, I don't think Mr H would've responded positively to an effective warning, such was his belief that the payments were being made for a genuine reason.

Mr H has argued that, at the time of the scam payments, he was vulnerable and should be entitled to full reimbursement of his loss as a result. He's specifically argued that when the scam happened, he was recently divorced and lonely. I've considered Mr H's personal circumstances at the time of the scam, but I'm not persuaded he was vulnerable, as defined by the CRM Code, and unable to protect himself from the scam. He's subsequently confirmed that the divorce was several years before the scam happened and wasn't unexpected or sudden. He's also confirmed that there were no circumstances affecting his decision making at the time. As a result, I'm not persuaded Mr H should receive full reimbursement under the CRM Code on the basis that he was vulnerable.

I've also considered whether NatWest did all it could to recover Mr H's funds from the beneficiary bank once aware of the scam. The CRM Code does require a firm to attempt recovery immediately once on notice that a customer has been the victim of an APP scam. NatWest hasn't provided evidence demonstrating it notified the beneficiary bank of the scam. However, as the scam wasn't reported to NatWest until approximately two years after the scam payments were made, it's highly unlikely that any funds would've remained in the beneficiary accounts. As a result, even if there was a recovery failing by NatWest, I'm not persuaded this will have been to Mr H's detriment.

Mr H has been the victim of a cruel scam, orchestrated by someone he thought he was in a romantic relationship with and that he could trust. I have natural sympathy with Mr H. However, I'm not persuaded NatWest was wrong or unfair to refuse reimbursement of Mr H's loss. As a result, I'm not satisfied Mr H's loss should be refunded.

My final decision

For the reasons explained above, my final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 December 2025.

Liam Davies
Ombudsman