

The complaint

Mr H complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't refund the money he says he lost to a scam.

What happened

Mr H was looking to hire a hall for an event due to take place on 31 December 2024. He found a venue that appeared to meet his needs, run by a company I will call D. Mr H agreed to pay £1,800 for the venue and made two payments to D, for £1,000 and for £800 in November 2024.

It appears that the manager of the hall then contacted Mr H to say there were issues which meant it would be unable to provide the services agreed, he said he was trying to get the money together to repay Mr H. However, it appears that Mr H did not receive a refund, and D then ceased contact with him without providing the agreed services.

Mr H has said he has discovered that D is in the process of being dissolved. He feels that D knew this when it took his money and so fraudulently deceived him into making the payments when it knew it would be unable to meet its commitment to him.

Mr H contacted NatWest in January 2025 to say that he believed he had been the victim of a scam. NatWest said that it did not consider it was liable for Mr H's loss as it considered this matter to be a civil dispute rather than a scam. Mr H raised a complaint, but NatWest maintained its position, it did though apologise that its agent had shown a lack of empathy when speaking to Mr H about his concerns.

Unhappy with NatWest's response, Mr H brought his complaint to this service and one of our investigators looked into things. But they agreed with NatWest that this was most likely a civil dispute, and so Mr H was not entitled to a refund of the payments he had made. Mr H remained unhappy, he maintains that D intentionally deceived him into making the payments when it knew it could not provide the service he had paid for.

As the case could not be resolved informally, it's been passed to me for a 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 and having thought very carefully about NatWest's actions, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Mr H but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold NatWest liable for his loss.

When considering what is fair and reasonable in this case, I've thought about the relevant rules that were in place at the time this disputed payment was made. From 7 October 2024, Payment Services Providers in the UK, like NatWest, have been bound by the Faster

Payments Scheme (FPS) and the CHAPS reimbursement rules. Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but “private civil disputes” are not covered.

I've therefore considered whether what has happened between Mr H and D meets the reimbursement rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The rules define an APP Scam as:

“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer's relevant account to a relevant account not controlled by the consumer, where:

- *The recipient is not who the consumer intended to pay, or*
- *The payment is not for the purpose the consumer intended”*

By contrast, a private civil dispute is defined as a *“dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty”*.

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing.

Mr H paid D, and I've seen nothing to suggest that this was not who he intended to pay. So, Mr H cannot be said to have paid a recipient he did not intend to pay, as per the definition above.

Mr H's purpose for the payment was to hire a venue, and while I appreciate that the services he had paid for did not materialise, I'm satisfied that the evidence suggests D was a legitimate business which intended to provide those services. D was registered on Companies House and appears to have been a going concern for some time prior to Mr H's payments, with evidence online that it did host and manage numerous events at the venue. Mr H has also said that he visited the venue and was happy with what he had seen.

I acknowledge that there was an application to strike D off the Companies House register in September 2024, but that was cancelled in October 2024, prior to Mr H's payments and in any case would not have prevented D from continuing to carry out its business. And the email that Mr H has provided from the manager of D suggests there may have been other issues which meant that D was ultimately unable to meet its commitments.

All of this leads me to consider that D was more than likely attempting to operate legitimately at the time these payments were made. I acknowledge that Mr H did not ultimately receive what he had paid for, but there are many reasons, other than fraud, why a legitimate business may fail to meet its commitments. A business may act unprofessionally but still be carrying out legitimate business, or it may get into financial or personal difficulties that mean it is unable to meet its obligations to customers. And this service isn't in a position to forensically analyse D's actions here; we must consider the evidence that is before us. And, in doing so, I've not seen persuasive evidence that D set out to defraud Mr H.

So, having thought very carefully about all that Mr H has said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty, based on what I know and what the evidence shows, that D set out with an intent to defraud Mr H, or did not intend to fulfil the purpose it agreed with Mr H for the transactions.

I know this will be a huge disappointment to Mr H, and I appreciate how strongly he feels about this case. But for the reasons I've explained above, I do not consider that it was unreasonable for NatWest to decline Mr H's claim under the relevant reimbursement rules.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 December 2025.

Sophie Mitchell
Ombudsman