

The complaint

Mr N has complained about the actions of National Westminster Bank Public Limited company (NatWest) after he was the victim of a scam.

What happened

My understanding of Mr N's complaint is that he made the following payments as the result of a scam.

Mr N has said that:

His wife received an unexpected message on social media from a person impersonating a government employee. They advised her that she was entitled to a grant that was for families who were struggling financially and it didn't need to be repaid. The scammer told her that they'd seen her name on a list and she was given a number to contact to confirm her eligibility.

Mr N's wife provided a picture of her passport and she was told she was eligible, but she needed to provide £500 gift cards in order to get the funds. Mr N's wife told him about the opportunity and asked him to obtain the vouchers, which he did along with their son who also purchased gift cards.

On 27 January 2025, Mr N went to a supermarket and purchased two £150 gift vouchers. Mr N's wife provided the voucher details to the scammer who requested a further £1,000 in vouchers. This is when they realised they'd been scammed.

NatWest has said that:

Mr N didn't complete any due diligence before getting the vouchers and sharing the details with the scammer. The grant was also too good to be true. They added that Mr N was the victim of a scam in October 2022, so he should've been on high alert. As such they don't accept liability for the loss Mr N suffered.

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.

I'm sorry Mr N has been the victim of a scam, and I don't underestimate the impact this has had on him. But while I accept Mr N has lost this money due to being deceived by the scammer, I must consider whether NatWest is responsible for the loss he has suffered. And, I don't think they are.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. It isn't disputed that Mr N knowingly made the payments with his debit card – albeit under the direction and guidance of the scammer as he believed the opportunity to be legitimate. And so, I'm satisfied he authorised them.

Therefore, under the Payment Services Regulations 2017 and the terms of his account, NatWest are expected to process Mr N's payments, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for NatWest to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr N to NatWest (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

When considering this, I've kept in mind that banks process high volumes of transactions each day. And that there is a balance for NatWest to find between allowing customers to be able to use their account and intervening on transactions to confirm they're legitimate – as it wouldn't be practical for banks to carry out additional checks before processing every payment.

The payments being disputed here were, individually, of a relatively low value – with £150 being the highest and a total of £300. Although Mr N typically used his NatWest account for low value day to day transactions, he'd made payments of a similar or greater value in the prior 12-months, which he has acknowledged. While I accept that the amount of money Mr N sent is clearly significant to him, this doesn't itself suggest a heightened risk of fraud. Because of this, I don't think the individual value of the payments (or total value of the payments) would've been seen by NatWest as being unusual or out of character for Mr N.

I have also considered the retailer the payments were made to and the items purchased; and there were no suspicious circumstances surrounding this either. Consequently, I don't think NatWest could reasonably have known that these payments were subject of a scam. The payments were not significant enough to have triggered its systems; nor were there sufficient grounds to justify delaying the payments.

I've also considered whether, on being alerted to the scam, NatWest could reasonably have done anything to recover Mr N's losses, but I don't think they could. I say this because Mr N had purchased gift cards and there is no dispute that he had received the goods and unfortunately passed the voucher codes on to a third party. NatWest advised Mr N to contact the gift card supplier to verify if the balance had been used and Mr N confirmed the gift cards had been used.

As Mr N made the payments via debit card, the only option available to attempt to recover the funds was by way of chargeback. The chargeback scheme is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law.

A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the merchant or merchant acquirer can defend a chargeback if it doesn't agree with the request. Unfortunately, the chargeback rules don't cover scams.

It's important to note that Mr N didn't send the money directly to the scammer but instead paid a legitimate merchant for genuine gift cards. There is no dispute that Mr N received the goods/service as intended (as highlighted above).

As was then sent to the scammer, the gift cards were utilised. So, it was always highly unlikely that NatWest would be able to facilitate the recovery of the funds after they were moved on to and from the gift cards to the scammer. As he received the goods/service I am satisfied a chargeback wouldn't have had any reasonable prospects for success. This is because Mr N received the expected service from the merchant - that being the exchange of pound sterling for a gift card balance.

Whilst I have sympathy for Mr N's situation, I haven't seen anything which makes me think NatWest ought to have been concerned or suspicious that Mr N was falling victim to a scam. Or ought to have been aware of any vulnerabilities that would impact on Mr N's decision making during that period. And so, in these circumstances, I can't fairly find NatWest is responsible for Mr N's loss.

Therefore, it follows, I won't be asking NatWest 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 Mr N to accept or reject my decision before 24 November 2025.

Jade Rowe
Ombudsman