

## The complaint

Miss H complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') won't refund the money she lost after falling victim to a scam.

## What happened

In 2024, Miss H had recently graduated and was looking for a way to earn additional money to support her household.

She found an individual on a social media site who offered an investment opportunity. I'll refer to the individual as S.

Miss H says she looked on trust pilot and found the individual had positive reviews which appeared to be from investors.

As part of the investment, Miss H made the following payments from her NatWest accounts.

Date	Pmt	Details of transaction	Amount
27.6.2024	1	Payment to R from current account	£500
30.6.2024		NatWest rejected an attempted payment of £750	
1.7.2024	2	Payment to I from current account – <b>NatWest refunded £375</b>	£750
1.7.2024	3	Payment to M from current account	£500
2.7.2024	4	Payment to M from current account	£500
3.7.2024	5	Payment to M from current account	£500
4.7.2024	6	Payment to M from current account	£750
7.7.2024		NatWest intervened when Miss H attempted to make two payments of £1,000.	
8.7.2024	7	<i>Payment to Y from savings account</i>	£500
8.7.2024	8	<i>Payment to Y from savings account</i>	£500
8.7.2024	9	Payment to Y from current account	£500
9.7.2024	10	Payment to Y from current account	£500
10.7.2024	11	Payment to Y from current account	£500
12.7.2024	12	Payment to Y from current account	£500
12.7.2024	13	Payment to Y from current account	£500
15.7.2024	14	Payment to Y from current account	£485

Miss H initially invested £500, but when she tried to withdraw her investment, she was told she had to pay a premium fee of £2,000 to release the funds. She was told to make this payment in £500 instalments.

After making these payments, Miss H was asked to make further payments for fees or tax – again in £500 instalments. When Miss H couldn't afford to make any more payments and her investment wasn't released, she realised it was a scam.

Miss H raised a fraud claim with NatWest and asked that they refund her. NatWest raised a fraud claim but didn't include the two payments Miss H made from her savings account (in italics in the table above). NatWest declined to refund Miss H saying she didn't do enough checks to make sure the investment was genuine. But they refunded £375 of payment two saying they had joint liability. They also paid £20 compensation for their poor service.

Miss H wasn't happy with NatWest's response, so she brought a complaint to our service.

An investigator looked into Miss H's complaint but didn't recommend that NatWest refund her. The investigator was satisfied that NatWest could rely on an exception to reimbursement under the Contingent Reimbursement Model Code (CRM Code), as Miss H didn't have a reasonable basis for believing the investment was genuine. The investigator said NatWest weren't required to intervene on the payments, and they'd taken appropriate steps to try and recover her funds. The investigator felt the £20 compensation NatWest paid for their poor service was fair.

Miss H disagreed with the investigator's opinion and raised the following points:

- It's not clear what specific steps NatWest took to try and recover her funds.
- Her case has been dealt with differently to other cases that have come to our service.
- NatWest contacted her about payments where they identified a risk of financial harm but failed to take appropriate steps.
- NatWest's investigation was lacking as they missed an additional £1,000 in payments from her savings account.
- She was vulnerable at the time she made the payments and should be entitled to a full refund.
- She was manipulated by the scammer to hide the truth about the payments from NatWest.
- She did sufficient checks to believe the investment was genuine, especially as she was an inexperienced investor.

The investigator responded to the points Miss H had raised and advised that NatWest had contacted the receiving banks in a timely manner, but the funds had been removed. The investigator acknowledged the difficult circumstances Miss H was under when she made the payments, but the investigator wasn't satisfied that Miss H met the bar to be considered vulnerable under the CRM Code as she had completed checks before making the payments. The investigator agreed that NatWest's investigation contained errors but didn't consider an additional compensation payment was due.

Miss H didn't agree and asked for an ombudsman to review her case.

### **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 be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

#### Is Miss H considered vulnerable as set out in the CRM Code?

Under the CRM Code, if a customer meets the bar to be considered vulnerable, they're entitled to a full refund, and NatWest can't rely on an exception to reimbursement. So, I'm addressing this point first.

The CRM Code says a customer "*is vulnerable to APP scams if it would not be reasonable to expect that Customer to have protected themselves, at the time of becoming victim of an APP scam, against that particular APP scam, to the extent of the impact they suffered.*"

I've carefully considered the difficult circumstances that Miss H was experiencing at the time she made the payments. However, I'm not satisfied that she meets the definition of vulnerable. I say this because Miss H had concerns about the legitimacy of the investment and, as a result, completed some checks before making any payments as part of the scam.

Miss H says she looked at a well-known review website and checked S's ratings – which included reviews from what appeared to be satisfied investors. She also checked Companies House and found a company with a similar name to the one she thought S was making the investment through. But Miss H says she wasn't sure exactly what information on Companies House was important.

I can also see that Miss H voiced her concerns to S, asked to have a zoom call and for any evidence S could provide to prove the investment was genuine. I can't see that Miss H got a zoom call as requested and it's unclear what S provided to prove her legitimacy.

As Miss H had concerns and took steps to try and verify the legitimacy of the investment, I can't fairly say she was unable to protect herself from this particular scam and to the extent of the impact she suffered.

As I'm not satisfied that Miss H is entitled to a refund because she was vulnerable, I've considered whether NatWest can rely on an exemption to reimbursement.

#### Can NatWest rely on an exception to reimbursement under the CRM Code?

NatWest are a signatory of the CRM Code, which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams, in all but a limited number of circumstances.

But NatWest may choose not to reimburse a customer if it can establish that an exception to reimbursement applies. In this case, NatWest say "*the customer made payments without having a reasonable basis for believing that the payee was the person the customer was expecting to pay; the payment was for genuine goods or service; and/or the person or business with whom they transacted was legitimate.*"

Having reviewed all of the evidence, I'm satisfied that NatWest can rely on this exception to reimbursement – for the following reasons:

- Miss H clearly had concerns before she made her first payment. She asked S for a zoom call and to provide proof of the legitimacy of the investment. When S wouldn't do a zoom call, Miss H should've been concerned. Miss H says she believed that S was using a company, but there was no evidence that S was linked with that

company, or that the company was offering investments. I appreciate that Miss H found a company online that had a similar name, but there was nothing to show it was the company involved in the investment, or that S had links with it.

- Miss H didn't have any marketing material or information about the investment, how it would work, or what return she could expect. From what I've seen, Miss H didn't understand what she was investing in, which should've concerned her.
- Miss H wasn't given a trading account or any sort of log in to track her investment. Miss H told NatWest that she asked for more proof, but S just sent her emails. Also, she was asked to make payments to four separate individuals. There is nothing to indicate how they were linked to the investment, or why Miss H would be paying them rather than S, or the company she thought the investment was being made through. Miss H was told they were employed in the finance department, but Miss H should've questioned why she had to pay four different parties.
- After Miss H made her initial investment of £500, she was told her balance had grown to £8,000 within a matter of days, which was too good to be true. At this point, she voiced concerns again to S, asking if she could prove her legitimacy. Miss H also said "*I will feel really stupid if I don't receive the profits. I've never taken a risk like this before and have prayed it's not a scam*". This was before she made the second payment. It's clear Miss H is concerned this could be a scam but continued regardless.
- NatWest blocked a payment on 30 June 2024 and discussed it with Miss H. Miss H said the payment was going to a family member for money they had loaned her. NatWest weren't satisfied with Miss H's response and cancelled the payment, saying they did this where they believe a transaction is fraudulent or they're trying to protect Miss H's money. I can't see that Miss H did any additional checks as a result. Also, Miss H was told to mislead the bank, which a genuine investment provider would never tell her to do.
- I also think Miss H should've been concerned when she was asked to make payments for fees and taxes that hadn't been disclosed upfront. And, after making the first payment for a premium fee, she was asked to make a separate payment for a different reason. I can't see that Miss H questioned these payments, why they weren't disclosed, and why she was asked for further payments. Also, Miss H should've questioned why a genuine company/investment would ask her to make a payment in smaller instalments.

I appreciate that Miss H wasn't an experienced investor, but it's clear from her messages that she had concerns about whether the investment was legitimate. Based on the lack of information she had about the investment, the company she believed was involved, and the concerning information she was given by S – I'm not satisfied that Miss H did sufficient checks to make sure that S or the investment were genuine.

#### Did NatWest meet their obligations under the CRM Code?

While I'm satisfied that NatWest can rely on an exception to reimbursement, Miss H may still be entitled to a refund if NatWest haven't met the standards set for them under the CRM Code.

NatWest had concerns about three payments and intervened on 30 June and again on 7 July 2024. On both dates they asked Miss H questions about the payments she was making. For the first payment, Miss H misled them by saying the payment was to a family member for a loan. For the second payment, Miss H misled NatWest again, saying she was paying someone she had known for 6 years, met face to face and that she hadn't been told to lie to

the bank. She also told NatWest that she wasn't being pressured, and she had been given the bank details face to face.

Unfortunately, because Miss H wasn't honest with NatWest, despite them asking if she had been told to lie, and their warning that they were cancelling a payment because they thought it might be fraudulent – NatWest were unable to uncover the scam and provide a relevant warning to Miss H.

Miss H says NatWest should know that victims of scams are told to lie, which I agree with. But having listened to the calls, Miss H was persuasive and there wasn't anything to suggest to NatWest that Miss H might've been misleading them.

Based on the information available to NatWest, even if they had intervened again on later payments, I'm not persuaded that Miss H would've been honest or that the scam would've been uncovered.

NatWest have chosen to refund Miss H £375 of one of her payments, saying they're jointly liable for the loss. However, this is more than I would've recommended.

I'm satisfied that NatWest intervened appropriately when they had concerns about the payments Miss H was making, and they met their obligations under the CRM Code - so Miss H isn't entitled to a refund.

#### The customer service Miss H received from NatWest

NatWest have accepted that they didn't provide the best customer service to Miss H. NatWest say they delayed in responding to her complaint and paid £20 in compensation. Miss H says NatWest missed two payments off her fraud claim, which shows a failure in their investigation.

However, having listened to the call when Miss H first reported the fraud, she provided a shorter list of transactions to NatWest. This list of transactions changed in a further call, but it wasn't entirely clear at the start which payments were made as part of the scam. I think that NatWest could've done a better job of establishing the payments involved, however this didn't affect the outcome of Miss H's complaint and I'm not satisfied that I can fairly say that NatWest's overall investigation was flawed – albeit they made a mistake.

Miss H also says that NatWest didn't set out clearly what steps they took in trying to recover her funds. Having reviewed the evidence, I can see that NatWest reached out to each of the receiving banks in a timely manner and tried to recover Miss H's funds – unfortunately the funds had already left the accounts. They told Miss H they had been unable to recover the funds, which was reasonable. I wouldn't expect NatWest to have set out specific step-by-step action they took as part of the recovery attempt. Miss H is entitled to ask for clarification, but I can't fairly say NatWest did anything wrong in relation to this matter.

I appreciate that NatWest didn't provide the best customer service and made an error in relation to the payments Miss H wanted to include as part of her fraud claim, but this didn't affect the outcome of Miss H's fraud claim or any refund she would be entitled to. On that basis, I'm satisfied that the £20 compensation offered is fair.

I really sorry to hear of the distress and financial difficulties that Miss H has suffered as the result of this scam. But, based on the evidence, I'm satisfied that the refund NatWest have already paid of £375 is more than I would've recommended and the £20 compensation is fair.

**My final decision**

My final decision is that I don't uphold this complaint against NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 15 October 2025.

Lisa Lowe  
**Ombudsman**