

The complaint

Mr C complains that National Westminster Bank Plc ('NatWest') won't reimburse funds he lost to fraud.

What happened

As the circumstances of this complaint are well known to both parties, I have summarised them briefly below.

In or around September 2021, Mr C met a person, who I will refer to as 'L', through an online social media platform and struck up a relationship with them after talking online over several weeks.

The conversation turned to trading, and Mr C was persuaded by L to download a purported trading application. He was then coached by L to purchase crypto assets through legitimate peer to peer payments and forward these funds on to a wallet not within his control.

Mr C made the following payments from his NatWest account toward those purchases:

Payment no. and date	Payment type	Amount
1. 27 September 2021	Faster payment (returned)	£5,000
2. 29 September 2021	Faster payment (payee 1)	£2,000
3. 29 September 2021	Faster payment (payee 1)	£3,000
4. 30 September 2021	Faster payment (payee 2)	£100
5. 1 October 2021	Faster payment (payee 3)	£3,000
6. 1 October 2021	Faster payment (payee 4)	£200
7. 1 October 2021	Faster payment (payee 5)	£1,000
8. 20 November 2021	Faster payment (payee 6)	£973

Mr C later discovered that he was unable to withdraw from his account and realised he'd been the victim of fraud. He reported the matter to NatWest in 2024.

NatWest considered Mr C's claim but concluded it wasn't liable for his losses. In summary, it found that there was little it could do to recover Mr C's funds as the transfers were made to accounts in his own name. It also found that the payments were not so unusual from his typical account usage that meant it ought to have intervened in the payments made.

Mr C remained unhappy with NatWest, so he referred his complaint to our service for an

independent review. After considering Mr C's claim again, NatWest reimbursed Mr C 50% of payments 2, 3, 5 and 7 with 8% simple annual interest, as it recognised it could have done more to prevent the fraud. But it found Mr C ought to share liability for his losses.

Mr C rejected that as settlement of his complaint, so an Investigator considered the evidence provided by both parties. In doing so, they found that NatWest ought to have reimbursed 50% of payments 4, 6 and 8 also, including interest.

NatWest agreed with that outcome, but Mr C did not. He argued that he should have been given a full reimbursement of the payments made.

As Mr C disagreed with the Investigator's assessment and recommendations, the complaint has now 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.

Considerations

There is no dispute here that Mr C authorised the transactions in question. And the starting position in law is that Mr C will be held liable for transactions he authorised in the first instance. That is due to NatWest's primary obligation to process payments in line with its customer's instructions, as set out in the Payment Services Regulations 2017.

However, taking 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, NatWest ought reasonably to have been on the lookout for any transactions that would indicate Mr C was at risk of financial harm. And where it identifies a risk it ought reasonably to intervene, probe the purpose of the payments further and provide warnings where necessary.

Fraud prevention

All parties are now in agreement that NatWest should have been concerned about the payments Mr C was making from his account from the outset. The first payment he made for £5,000 was significantly out of character for his account and was being paid to a new payee. Even though this payment was returned the following day, I find that NatWest ought to have contacted Mr C to enquire as to the purpose of that payment, with an aim of eliminating the possibility he was being defrauded.

I also concur that that intervention likely would have prevented the fraud from continuing. Mr C was not being coached by the fraudster as to how to respond to a bank's intervention. And the features of the fraud were typical of common investment frauds. It would have been easily identifiable to NatWest, and it could have relayed that fact to Mr C to prevent his loss.

I have not dwelled on these points in my decision, as all parties are in agreement on them.

Contributory negligence

There is disagreement over whether Mr C ought to bear some of the responsibility for his loss. In order to consider this point, I have reviewed the evidence carefully and thought about what the law says regarding contributory negligence.

I wanted to start by thanking Mr C for his openness and honesty when disclosing his personal circumstances at the time. I understand he was going through difficult personal issues including a bereavement and job loss. It could not have been easy for him to share this information with our service and relive some of the difficult emotional circumstances he has faced.

However, when looking at Mr C's circumstances against the evidence provided, I do find that it is fair and reasonable that he bears some liability for his loss.

Mr C met L through an online social media platform. I have noted that from the moment they met virtually with one another, to the date they ceased all communication, Mr C had never met L in person or spoke with them by telephone or video. I can see there were occasions where Mr C did attempt to get L to speak with him, but these requests were either ignored or met with excuses. This ought reasonably to have caused a degree of suspicion and scepticism in Mr C, especially when he was being asked to part with significant sums of money.

I realise Mr C had already built up a degree of rapport with L over a short period of time. And I understand he felt vulnerable due to his personal circumstances. But I don't find those vulnerabilities were clouding his judgement at the time, to the extent that he was unable to protect himself. Messages between him and L show that on several occasions he expressed concerns over the requests being made and the sites which he was asked to visit. So he did have the ability to identify these concerns, express them, and delay some of his actions. But Mr C did ultimately proceed with the transactions despite these concerns and little persuasive reassurance from L.

However, I acknowledge that Mr C's personal circumstances meant he was likely less resilient to the fraudster's manipulation at the time. And he likely built a more intense relationship with them due to this. It is for these reasons I have not placed more liability on Mr C. It is therefore reasonable that he shares equal liability for his loss.

Compensation

Mr C has requested compensation for the distress and inconvenience caused. But I must not lose sight of the fact that the fraudster is the primary cause of that here. While NatWest ought to have done more to protect him, it is now to reimburse him his loss in part to reflect its error.

For these reasons, I don't find it fair or reasonable that NatWest pay any compensation for the distress and inconvenience caused.

Putting things right

NatWest should now reimburse Mr C 50% of the remaining loss he has suffered. It should also pay Mr C interest at 8% simple annual on this amount from the date he made those payments to the date it settles, to reflect the deprivation of those funds from the date it ought to have done more to protect Mr C.

My final decision

For the reasons I have given above, I uphold this complaint and direct National Westminster Bank Plc to:

- Reimburse Mr C 50% of his remaining loss.
- Pay 8% simple annual interest on these reimbursements, from the date the payments

were made to the date it settles.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 December 2025.

Stephen Westlake
Ombudsman