

The complaint

Mr A complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') won't refund the money he says was lost as the result of a scam.

What happened

Mr A says he was talking on a messaging app to someone he knew from school. I'll refer to this individual as O. O said they traded in cryptocurrency. Mr A says O offered to help him set up a trading account and said he'd provide training/guidance on cryptocurrency trading.

Mr A made a payment of £2,000 on 6 May 2024 to O.

Mr A says O helped him set up a trading account but didn't provide the training/guidance that was agreed. So, he raised a fraud claim with NatWest.

NatWest initially, incorrectly, told Mr A that he couldn't raise a fraud claim. When Mr A raised a complaint, NatWest raised the fraud claim but they declined to refund Mr A. NatWest said Mr A has a civil dispute with O. But they paid Mr A £60 compensation for the poor service he received when he first tried to report the fraud.

Mr A wasn't happy with NatWest's response, so he brought a complaint to our service.

An investigator looked into his complaint but didn't recommend that NatWest refund him. The investigator wasn't satisfied that Mr A had evidenced he was the victim of an APP scam, as it's not clear what was agreed between Mr A and O. Also, the investigator was satisfied that the £60 compensation was fair.

Mr A disagreed with the investigator's opinion and asked for an ombudsman to review his case. Mr A believes that O never intended to provide the trading training/guidance.

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, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, 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 A authorised this payment, so the starting position is that NatWest isn't liable for his loss.

NatWest have signed up to 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 the CRM Code defines what is considered an APP scam as, *“where the customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent”* or *“the customer intended to transfer funds to another person but was instead deceived into transferring the funds to a different person”*.

The agreement between Mr A and O in relation to the £2,000 was made through a messaging app, calls and a meeting. Unfortunately, Mr A doesn't have any evidence which shows what the agreement was. He says O was to help him open a trading account (which they did) and provide training or guidance on cryptocurrency trading – which hasn't happened.

Mr A recently got in touch with O and has shared those messages with us. In the messages O refers to removing himself from social media for a year, which he says is why he didn't respond to Mr A. But these messages don't clearly set out what was agreed when the payment was made, or what O would provide to Mr A. Mr A refers to training in his messages to O, but O's messages refer to new software that he's waiting on and issues with funding and trading.

Based on the evidence, I'm not satisfied that I can fairly say Mr A was tricked into sending the money to someone he didn't intend, as he intended to pay O. Also, I can't fairly say that he transferred the funds for what he believed was a legitimate purpose which was in fact fraudulent – as I don't know what the agreement was between Mr A and O. It's possible that something happened which meant that O has been delayed in providing the service Mr A expects, but there isn't any evidence that O set out with the intention to defraud Mr A. On that basis, I can't fairly hold NatWest liable under the CRM Code for Mr A's loss.

I have also considered whether NatWest should've intervened when Mr A made the payment. But, taking into account the size of the payment and Mr A's usual account activity, I'm not satisfied that the payment is so unusual and out of character that I would have expected NatWest to have intervened. So, I'm satisfied they acted reasonably in following Mr A's payment instruction and couldn't have prevented his loss.

Mr A hasn't raised any points in relation to the compensation paid by NatWest for their poor service. But, for completeness, I'm satisfied that £60 is fair in these circumstances. I say this because while NatWest should've set up Mr A's fraud claim when he first contacted them, it wouldn't have changed the outcome on his claim if they had.

I'm really sorry to disappoint Mr A, but I'm not satisfied that I can fairly ask NatWest to refund him.

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 Mr A to accept or reject my decision before 30 October 2025.

Lisa Lowe
Ombudsman

