

## **The complaint**

Mr B, who is represented, complains that National Westminster Bank PLC ('NatWest') didn't reimburse him money he lost as a result of fraud.

## **What happened**

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

Mr B was recommended an investment opportunity which involved the issuance of bonds from a company I'll refer to as A. Mr B decided to invest and on 31 March 2021, he transferred £15,000 from his NatWest account to A.

Mr B received returns on his investment until March 2022, when he received correspondence from A letting him know his bonds would be transferred to equity shares in the business. But Mr B's returns ceased and it was at this stage he felt he'd been the victim of fraud.

Mr B reported the payments as fraud to NatWest, but after looking into the claim it decided not to reimburse him. It concluded that the matter was a civil dispute between Mr B and A, and not likely a fraud.

Mr B remained unhappy with NatWest's decision, so he referred the matter to our service for an independent review. An Investigator considered the evidence provided but agreed with NatWest that the matter was more likely a civil matter rather than a fraud.

Mr B disagreed, so the matter 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.

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 have been good industry practice at the time.

All parties agree that Mr B made the payment in dispute. So, in accordance with the Payment Services Regulations 2017 he is presumed liable for the loss in the first instance.

However, NatWest was a signatory to the Lending Standards Board's Contingent Reimbursement Model (the CRM Code) at the time the payment was made. Under that Code, firms are expected to reimburse customers who fall victim to fraud, subject to a number of exceptions.

However, the CRM Code is only relevant if I'm persuaded Mr B did fall victim to a fraud. The Code specifically doesn't cover certain types of disputes. It says:

*“This Code does not apply to...private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier”.*

Likewise, even had the payments not fallen within the scope of the CRM Code, NatWest has no liability to reimburse Mr B his loss from a bank transfer which results in a legitimate dispute between the payer and payee.

From the information provided so far by Mr B, I'm not persuaded he has been a victim of fraud. I'll explain why.

Thus far, Mr B hasn't provided any evidence to support his assertion that he's been the victim of fraud, as he hasn't provided evidence of a dishonest deception. While he has provided an evidence bundle containing a brochure for the investment, his share certificates and some comms between A, the investment broker and himself, he hasn't provided any reasoning behind why he believes he has been defrauded.

I have, for completeness, carried out some research of my own. And that has revealed:

- A is a genuine company registered on Companies House.
- It still has a running website which currently displays a message on its home page intended for its investors. That message indicates that the company has ceased operations due to failure and that they are working on recouping and returning existing investor's funds.

I have been unable to uncover any persuasive evidence from open resource research that would indicate A was deliberately misleading its investors for gain.

Furthermore, from the evidence bundle provided, it would appear Mr B's investment was being brokered by a legitimate, FCA authorised firm. This, along with the fact that Mr B was receiving returns on his investment for a period, leads me to conclude that it's likely Mr B's investment has unfortunately failed. But there is no evidence he has been the victim of fraud. It is therefore more likely than not a private civil dispute which is not covered by the CRM Code.

While I understand that will come as a disappointment to Mr B, I can't reasonably direct NatWest to reimburse him for a failed investment. However, should any information come to light in the future that would indicate A was misleading its investors and committing fraud, he can present that new evidence to NatWest for consideration and a further review.

But as things stand, I've concluded that Mr B isn't likely the victim of fraud here and that this is a civil matter between him and A. I therefore find that NatWest did act reasonably in declining his claim for reimbursement.

### **My final decision**

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 July 2025.

Stephen Westlake  
**Ombudsman**