

Complaint

Miss F is unhappy that National Westminster Bank Public Limited Company ("NatWest") didn't refund her after she reported being the victim of a scam.

Background

In January 2021, Miss F met an individual (referred to here as Mr K) through an online dating website. They began exchanging messages and a relationship developed over time. Miss F has explained that while she was exploring the possibility of a romantic relationship, there was no romantic element to their interactions.

After a short time, Mr K began asking for financial assistance. He gave various reasons for needing support, including costs related to caring for his elderly father, car repairs, and financial difficulties while he was out of work. Miss F made multiple payments between January 2021 and April 2024. These payments were not continuous but occurred sporadically, with significant gaps in between. Some payments were made directly to Mr K, while others were sent to someone now believed to be a family member of his. As I understand it, Mr K said he would repay Miss F when circumstances allowed.

Miss F met Mr K in person on three occasions during the course of their interactions. However, she also told us that there were long periods where he didn't contact her at all. He would reappear when he needed money, often applying emotional pressure to persuade her to make further payments.

Eventually, Miss F came to believe she had been scammed and reported the matter to NatWest. It investigated but concluded that this was not a scam. Instead, it said the situation amounted to a private civil dispute between Miss F and Mr K, and it declined to refund her. Miss F wasn't happy with that response and so she brought her complaint to this service. An Investigator looked into the matter but did not uphold the complaint. Miss F remained dissatisfied, so the case has now been passed to me to issue a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Under the Payment Services Regulations 2017 and the terms of Miss F's account, NatWest was required to process payments that Miss F authorised. All the disputed payments were authorised by her, so she is initially presumed liable for them. However, that is not the end of the matter. NatWest was a signatory to the Lending Standards Board's Contingent Reimbursement Model (CRM) Code. Under this Code, firms are expected reimburse customers who have been the victim of an authorised push payment (APP) scam, unless an exception to reimbursement applies.

The most relevant exception here is:

“... the Customer made the payment without a reasonable basis for believing that ... the person or business with whom they transacted was legitimate.”

I must consider whether that exception applies on the facts of this case. I accept that Miss F genuinely believed she was helping someone in need. However, I need to consider whether that belief was reasonable in the circumstances and I'm afraid I'm not persuaded that it was.

At the time of the earliest payments, Miss F had not met Mr K in person. There was no romantic relationship. I've seen the messages she exchanged with Mr K, and while I agree that he sought to put emotional pressure on her, it's not clear why she felt any sense of obligation to provide financial support to someone who was effectively a stranger.

The first payments were made to an account in someone else's name, which should have seemed a bit unusual given that Miss F believed she was helping Mr K directly. Miss F was told she would be repaid, but this did not happen, even years after the initial payments. Even if she went into things assuming Mr K had the best of intentions, it's not clear why that didn't change over time when repayment never materialised.

I don't say any of this to downplay the fact that Miss F is the victim of a cruel scam, and that Mr K has cynically exploited her generosity. But even taking that into account, the circumstances still point to her not having a reasonable basis for believing she was dealing with a legitimate person.

The CRM Code also places obligations on firms. In broad terms, NatWest was expected to monitor for payments that might indicate a risk of fraud and, if it identified such a risk, provide Miss F with an *“effective warning”* as defined in the CRM Code. With the benefit of hindsight, we now know these payments were linked to a scam. But the question I need to answer is whether NatWest should reasonably have identified that risk at the time given the information it had at its disposal.

The first payment, made in January 2021, was for £650. I don't think that amount would reasonably have raised any concerns from the bank, and I wouldn't have expected it to take any action at that stage. It's true that the payments later increased in value, but the largest single payment was £1,000 – an amount that, on its own, wouldn't ordinarily trigger intervention. In early February 2023, there were several £1,000 payments made over successive days. Miss F's representative has argued that the bank should have stepped in at that point. However, by then Miss F was paying an established payee – an account she had been sending money to for around several months. NatWest was entitled to take that history into account when assessing the fraud risk. In my view, it wasn't unreasonable for the bank not to intervene in connection with those payments.

For completeness, I've also considered whether the bank did everything it reasonably could to recover the money from the receiving account. Once a scam is reported, a bank is expected to notify the receiving bank promptly. If any funds remain in the account, it may be possible under certain circumstances for those funds to be frozen and returned to the customer. In this case, NatWest initially took no action because it believed the matter was a civil dispute. I do not think that was the right approach, as I am satisfied Miss F was the victim of a scam. That said, even if NatWest had acted immediately, it would not have changed the outcome. The bank was notified of the scam in July 2024, around three months after the final payment. Evidence from the receiving banks shows that by then, Miss F's money had already been moved on, so there was nothing further NatWest could have done to recover it.

I have a great deal of sympathy for what Miss F has been through. She is clearly the victim of a calculated and manipulative scam. Mr K deliberately exploited her trust for his own gain.

However, my role is to assess the case against the requirements of the CRM Code, and applying those rules fairly means I cannot make NatWest responsible for reimbursing her.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 24 October 2025.

James Kimmitt
Ombudsman