

The complaint

Mr and Mrs D complain that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) is refusing to refund them the amount they say that they lost as the result of a scam.

Mr and Mrs D are being represented by a third party. To keep things simple, I will refer to Mr and Mrs D throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr and Mrs D made a significant investment with a company I will call "X". Mr and Mrs D have told us that they carried out their own due diligence before making payments and a close family member also worked for X which gave Mr and Mrs D further confidence, they were making a genuine investment.

Mr and Mrs D have told us that those that invested with X deposited funds into a range of cryptocurrency digital assets via a wallet from which they would earn a percentage. They could also take out loans by pledging their cryptocurrency as security.

Mr and Mrs D were able to attend weekly online Q&A sessions with the CEO of X where the investment was discussed in detail and investor's questions were answered. Mr and Mrs D also met the CEO of X alongside other investors.

X later filed for bankruptcy and Mr and Mrs D, alongside all other investors were no longer able to make withdrawals.

Mr and Mrs D have disputed the following payments made from their NatWest account:

Payment	Date	Payee	Payment Method	Amount
1	5 November 2020	CEL Coin	International Transfer	£28,316.63
2	24 November 2020	CEL Coin	International Transfer	£200,135.94
3	27 November 2020	CEL Coin	International Transfer	£10,387.62
4	4 October 2021	Zumo Wallet	Transfer	£120.00
5	13 October 2021	Zumo Wallet	Transfer	£49,000.00
6	14 October 2021	Zumo Wallet	Transfer	£48,900.00
7	15 October 2021	Zumo Wallet	Transfer	£49,000.00
8	18 October 2021	Zumo Wallet	Transfer	£49,000.00
9	19 October 2021	Zumo Wallet	Transfer	£49,000.00
10	20 October 2021	Zumo Wallet	Transfer	£49,000.00
11	21 October 2021	Zumo Wallet	Transfer	£49,000.00
12	22 October 2021	Zumo Wallet	Transfer	£49,000.00
13	25 October 2021	Zumo Wallet	Transfer	£49,000.00
14	26 October 2021	Zumo Wallet	Transfer	£49,000.00
15	27 October 2021	Zumo Wallet	Transfer	£49,000.00

16	28 October 2021	Zumo Wallet	Transfer	£49,000.00
17	29 October 2021	Zumo Wallet	Transfer	£32,000.00

Our Investigator considered Mr and Mrs D's complaint and didn't think it should be upheld. Mr and Mrs D disagreed, so this complaint has 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.

Recovering the disputed payments

The disputed payments were made either to X directly, or to a genuine cryptocurrency wallet in Mr and Mrs D's own name.

Had NatWest attempted to recover the funds that were sent to X directly they would have found that X had filed for bankruptcy and the funds in X's accounts were frozen before being distributed to its creditors.

The payments that were sent to cryptocurrency wallets were sent to accounts in Mr and Mrs D's own name before being forwarded in relation to the scam. So, any funds that may have remained in the payee accounts would not require recovery as they would remain in Mr and Mrs D's control.

With the above in mind, I don't think NatWest had any reasonable options available to it to seek recovery of the payments that have been disputed.

Should NatWest have reasonably prevented the payments that Mr and Mrs D have disputed?

It has been accepted that Mr and Mrs D authorised the payments that were made from their account with NatWest, albeit on X's instruction. So, the starting point here is that Mr and Mrs D are responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

Although the CEO of X was charged with fraud related offences, I don't have enough to say that Mr and Mrs D have fallen victim to a scam. It appears X was a legitimately trading business at the time the disputed payments were made, and it has since filed for bankruptcy with the assets being distributed to its creditors.

In any event, if I was to accept that Mr and Mrs D have fallen victim to a scam (which I'm not) the question I would have to ask here is whether NatWest should have been aware of the scam and intervened when the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

NatWest has confirmed that it did intervene when some of the disputed payments were made but unfortunately due to the time that has passed many of these recordings are no longer available.

I think considering the values of the payments Mr and Mrs D have disputed NatWest should have had concerns from when they made payment 1, that they may have been at risk of

financial harm and it should have intervened. I think that a proportionate intervention would have been for NatWest to have discussed the payment with Mr and Mrs D with the aim being to discover the background leading to the payment and to provide a relevant warning. But I don't think this would have made a difference. I will explain why.

Had NatWest intervened in the way I have suggested it should have above I think it's likely Mr and Mrs D would have provided honest responses. I don't have enough to say otherwise.

So, it's likely NatWest would have found that Mr and Mrs D were looking to invest, they had carried out their own due diligence, and a close family member also worked at X.

In addition to this X appeared at least at the time to be a genuine business offering the investments that Mr and Mrs D were looking to take part in. So even if NatWest did have concerns following the information that would have been provided to them by Mr and Mrs D, and suggested they do some further research, I think it's unlikely that their research would have found anything that would have dissuaded them from making the payments.

With the above in mind, I don't think NatWest intervening would have brought to light a scam, and therefore NatWest did not miss an opportunity to prevent Mr and Mrs D's loss.

Mr and Mrs D have further said that NatWest did intervene when one of the payments were made and NatWest explained that X had been "red flagged". Yet the payment was still processed.

NatWest has not been able to find evidence of this call taking place and I don't have enough to say what was said. Mr and Mrs D have told us that X never held a full-fledged UK financial services regulatory licence. Furthermore, in mid-June 2021 the UK's FCA determined X was operating an unregulated collective investment scheme under UK law which cannot be marketed to ordinary retail investors without full FCA authorisation. The FCA ordered X to stop offering services in the UK and to withdraw its ongoing licence application. They withdrew it the next day and exited the UK retail market, relocating to the US. Mr and Mrs D say this may have been what caused the red flag.

However, even if I was to accept that NatWest told Mr and Mrs D that X was red flagged (which I haven't seen evidence of), I also must accept that this warning was not enough to discourage Mr and Mrs D from making the payments, and they were happy making the payments based on the information they held despite receiving the warning. So, this does not change my decision.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 2 December 2025.

Terry Woodham
Ombudsman