

The complaint

Mr D complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) is refusing to refund him the amount he says he lost as the result of a scam.

Mr D is being represented by a third party. To keep things simple, I will refer to Mr 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 D made a significant investment with a company I will call "X". Mr D has told us that he carried out due diligence before making payments and that a close family member also worked for X which gave Mr D further confidence, he was making a genuine investment.

Mr D has 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 D was 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 D also met the CEO of X alongside other investors.

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

Mr D has disputed the following payments made from his NatWest account:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	30 April 2021	Binance	Transfer	£1,000
2	4 May 2021	Binance	Transfer	£50,000
3	5 May 2021	Binance	Transfer	£49,000
4	6 May 2021	Binance	Transfer	£49,000
5	7 May 2021	Binance	Transfer	£46,000

Our Investigator considered Mr D's complaint and didn't think it should be upheld. Mr 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 payments Mr D has disputed were made by transfer. When payments are made by transfer NatWest has limited options available to it to seek recovery.

In any event the payments Mr D has disputed were made to a legitimate cryptocurrency exchange, likely in exchange for cryptocurrency. As it would have taken further steps for those funds to in up in the hands of X, any attempt to recover the payments would have had no prospects of success.

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 D has disputed?

It has been accepted that Mr D authorised the payments that were made from his account with NatWest, albeit on X's instruction. So, the starting point here is that Mr D is 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 D has fallen victim to scam. It appears that 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.

Even if I was to say that Mr D has 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.

Due to the time that has passed since the above payments were made there is limited evidence available to support NatWest intervening when these payments were made.

I think considering the values of the payments Mr D has disputed NatWest should have had concerns from when he made payment 2, that he 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 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 D would have provided honest responses. I don't have enough to say otherwise.

So, it's likely NatWest would have found that Mr D was looking to invest, he had carried out his 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 D were looking to take part in. So even if NatWest did have concerns following the information that would have been provided to it by Mr D, and suggested he did some further research, I think it's unlikely that his research would have found anything that would have dissuaded him from making the payments.

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

Mr D has 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.

I have thought about what Mr D has told us, but I would not have expected NatWest to have researched X. So, I don't think this information would have come to light, and even if it did, it did not show that X was operating a scam so I don't think this information would have prevented the payments from being made.

My final decision

I don't uphold this complaint.

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

Terry Woodham
Ombudsman