

The complaint

Mr S complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') won't refund the money he lost to an investment scam.

He's represented by a firm of solicitors. For simplicity, I'll refer to Mr S throughout this decision.

What happened

The background is known to both parties, so I won't repeat all the details. In summary, Mr S says that in late 2021, he was referred by a family member to an investment scheme (I'll call 'F'). He understood that F provided a service where professional investors with vast levels of experience would help beginners. He says that his son had carried out research, had been investing with F, and had shown him the profits he'd made up to that point.

He now believes F was a scam. This complaint relates to the payments Mr S made from his sole account, between August and September 2022, to his account with a FCA-regulated firm ('V'). The money, apparently £345,000 in total, was then sent to F for trading as part of a pooled investment fund. He says he realised he'd been scammed when all the money from the 'trading account' had been lost overnight in late September 2022.

A complaint was made to NatWest in August 2024 and then referred to our Service. Our Investigator didn't uphold it. In brief, he thought there was insufficient evidence to conclude Mr S had lost his money to a scam instead of a risky investment. He said that, even if F was a scam, it's unlikely an intervention by NatWest would have stopped Mr S from going ahead with payments. He added Mr S hadn't provided enough to evidence his losses in any event.

As the matter couldn't be resolved informally, it's 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.

Having done so, I've decided not to uphold it for similar reasons as the Investigator.

In line with the Payment Services Regulations 2017, a firm is expected to process authorised payment instructions without undue delay. It's not in dispute Mr S authorised the payments in question, so the starting position is that he's liable for them in the first instance. And while firms should still sometimes take proportionate steps to protect their customers from fraud, I'm not convinced it's more likely than not that Mr S lost his money as a result of a scam here, as opposed to a risky investment.

From the evidence, including the group chat that was set up between F, Mr S, and family members, it seems various trading accounts were first opened with V. The funds were then 'pooled' to be used by F for trading. It seems Mr S was able to see the results of those trades. For months, reports were produced and the 'fund' was performing. I think it's relevant

that the screenshots he's provided, as part of his evidence of losses, show there was trading – which resulted in losses – on the legitimate FCA-regulated platform (V).

There was then a sudden downturn in September 2022. In explaining what happened, F referenced in the group chat the significant unexpected losses resulting from the collapse of the pound and the effects of geopolitical events at the time. There was also mention of bad trades. A face-to-face meeting was then held days later to discuss a way forward. And a plan was agreed in October 2022, where it seems F was to continue trading with funds it was to pay into accounts with V, in line with a 'flexible schedule'. I'm aware there was at least one payment from F, to another family member, in December 2022.

There are then gaps in the communication and it's not entirely clear from the information that's been provided what happened, for example, with respect to the plan in October 2022, or to turn Mr S's still seemingly friendly relationship with F into him raising a scam complaint in 2024. What I've seen are messages to F, in October 2022, where Mr S talks about getting together for a "*night out*". In December 2023, mixed in with general chat, Mr S's son wrote in the group chat "*Looks like the accounts are nearing trading, that will be nice! Better late than never*". By July 2024, he was chasing F, asking "*when will we be able to receive the \$20K*". It's unclear why this amount, almost two years later, in the context of the larger losses being claimed across all the cases referred to us by the family members involved. But, like the Investigator, I'd note it's unusual for a scammer to maintain such contact for that long.

There's also little information about F itself for me to conclude it was a scam. While a notice was issued by the FCA about a company Mr S says was linked to F, I'm mindful this was to warn it was providing financial services without authorisation. And while some of the selling/promotional methods used may be considered unethical, that doesn't necessarily mean F was operating a scam. To be clear, I don't rule out the possibility that F was a scam. But, on the evidence, I'm not convinced there's enough to find that's the more likely scenario. It's worth mentioning Mr S has sent us a copy of his message to a friend (he'd referred to F). In this he tells them, in January 2024, he was no longer recommending F as it had lost all his money "*through bad trading*".

Even if I'm wrong about the above, and F was a scam, I still don't think it'd be fair to uphold this complaint. I agree that NatWest should probably have intervened to find out more – considering, in particular, the payment amounts involved. It doesn't look like it did here, so (assuming F was a scam) that was arguably a failing on its part. But for me to uphold this complaint requires more than a finding that NatWest should have done more. I'd need to be satisfied a proportionate intervention would have likely made a difference to what happened.

As part of any intervention, I'd expect NatWest to have reasonably provided relevant scam warnings and to have advised Mr S to carry out due diligence into what he was involved in to ensure he wasn't falling to a scam. It wasn't NatWest's role to carry out the due diligence on Mr S's behalf or to give investment advice. I'm mindful F wasn't regulated by the FCA and that's something that would have likely come out. At the same time, there wasn't much else to indicate a scam. And, by August 2022, it would have likely also come out Mr S (and family members) had been dealing with F for several months, had met its representatives in person, had spent time with them socially, he'd received brochures and information about what the scheme involved, that he was investing through a FCA-regulated platform, and that he could track the results on that platform. He's told us he thought the expected returns seemed reasonable, so that too wouldn't necessarily have flagged as concerning.

In addition, Mr S says he was introduced to F by a family member who'd already conducted "*extensive research*" and that he trusted them implicitly. In fact, I can see from the messages exchanged that Mr S had himself met F's representatives and carried out his own checks into F before investing. I note he was told to seek advice from his accountant about any tax

implications (albeit in relation to business funds), which again isn't indicative of a scam.

In any event, a group chat was set up with F, Mr S, and other family members, and there was regular communication between them. It's clear from this that Mr S was "*impressed*" with the information he was given and the trading results. I think a significant level of trust had been established early on. And that trust grew as the relationship continued. In my view, if this was a scam, then Mr S was heavily under its influence, especially by the time these payments came about. On balance, I'm not persuaded an intervention by NatWest would have exposed a scam. Nor do I think it would have resulted in Mr S finding something new and significant that would have led him to stop payments, again given the circumstances and the returns he was seeing. And, as a matter of causation, I couldn't hold NatWest liable for Mr S's losses where, on balance, I'm not persuaded it could have likely prevented them.

To add, it's been explained during our investigation that we've been provided with little to evidence the actual losses, any amounts repaid, and what happened in relation to the plan that was put in place in October 2022. As noted above, I still don't have a clear view on what happened post-losses to turn Mr S's seemingly friendly relationship with F into him raising a scam complaint. In relation to the losses, Mr S has sent us a couple of screenshots, from September 2022, of trading accounts with V. One shows a loss of about £63,400. The other of about £5,000. I've not seen enough to show the £345,000 loss being claimed.

To summarise, I'm sorry that Mr S lost his money in the way he did. But I'm not convinced F was likely operating a scam in relation to his payments. Even if it was, I'm not persuaded a proportionate intervention from NatWest would have likely prevented his losses, such that it'd be reasonable to hold it liable for them. For completeness, in terms of recovery, I agree it's unlikely a chargeback claim would have been successful, assuming it had been made in time, as there's no dispute that the merchant (V) provided its services as intended.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 December 2025.

Thomas Cardia
Ombudsman