

## The complaint

Miss W complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') won't refund the money she lost after falling victim to a scam.

## What happened

The background to this complaint isn't in dispute, so I won't go into detail.

In summary, Miss W met someone online - I'll refer to this individual as R. Miss W and R talked on a regular basis and a relationship developed. R said he was an IT manager and did some online trading.

After a couple of months, R suggested that he could help Miss W make some money through online trading. He said she only needed to start with £200 and got her to download an investment app.

Miss W says she watched her investment balance increase until it was around £22,000, when she tried to withdraw her funds.

Unfortunately, R was a scammer, and Miss W hasn't received any of her investment back. As part of the scam, Miss W made multiple payments from her NatWest account and two separate NatWest credit cards. These payments were paid to accounts held in her name with other banks or electronic money institutions (EMI's), before being transferred to accounts controlled by the scammer.

There are the payments Miss W made:

Date	Where the payment came from	Where the payment went to	Amount
8.1.2024	Bank account	An account in Miss W's name	£2,000.00
8.1.2024	Credit Card 1	Miss W's account with an EMI	£1,305.46
11.1.2024	Credit Card 1	Miss W's account with an EMI	£3,012.60
6.1.2024	Credit card 2	Miss W's account with an EMI	£4,194.00
7.1.2024	Credit card 2	Miss W's account with an EMI	£1,004.20
11.1.2024	Credit card 2	Miss W's account with an EMI	£502.10

Miss W raised a fraud claim with NatWest, asking that they refund her. NatWest considered Miss W's claim, but say they aren't liable as the funds were transferred to other accounts in Miss W's name. NatWest did apologise for the poor service Miss W experienced when she spent up to 4 hours on calls with them, and paid Miss W £100 compensation.

Miss W wasn't happy with NatWest's response, so she brought a complaint to our service.

An investigator looked into Miss W's complaint but didn't recommend that it be upheld. The investigator wasn't satisfied that NatWest should have intervened on any of the payments,

other than the payment on 6 January 2024 for £4,194. But felt if NatWest had called Miss W to discuss the payment, it's unlikely the scam would've been uncovered as the scammer was guiding Miss W on what to tell the bank. The investigator explained that as Miss W transferred funds to accounts held in her name from her credit cards, she wasn't covered by section 75 of the Consumer Credit Act 1974. The investigator felt the £100 compensation was fair for the poor service Miss W received.

Miss W didn't agree with the investigator's opinion, saying she was extremely vulnerable and the scammer applied undue pressure to get her to invest. Miss W explained the serious impact this scam has had on her mental wellbeing and feels NatWest should've made her aware of this type of scam and done more to protect her.

As the case couldn't be resolved informally, it was passed to me to review.

It wasn't entirely clear which payments Miss W was saying were made as part of the scam from her NatWest accounts. So, the investigator contacted Miss W to get clarification. Miss W confirmed that the transactions set out in the investigator's view matched the payments she made from her EMI account, so those are the payments I've included in the table above.

Having reviewed the case, I reached a different answer than the investigator. So, I issued a provisional decision giving both parties a chance to provide any additional evidence they wanted to be considered before I issue a final decision.

### **My provisional decision**

In my provisional decision I said:

I'm really sorry that Miss W fell victim to such a cruel scam, which happened at a time when she was particularly vulnerable. I understand that the loss of this money caused Miss W a lot of stress and caused her financial difficulties.

But, being the victim of a scam, doesn't necessarily mean that she is entitled to a refund.

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 be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payments were authorised, although I realise Miss W did so not realising she was the victim of a scam. But that doesn't mean the payments are unauthorised. So, the starting position is that NatWest isn't liable for the transactions.

But, taking into account the law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider NatWest should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect NatWest to have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do.

#### Should NatWest have intervened when Miss W made these payments?

I'm not satisfied that NatWest should have intervened when Miss W made these payments. I realise that this is a lot of money for Miss W, but I'm not satisfied that the payments were so unusual and out of character that I would've expected NatWest to identify a potential risk of financial harm.

I think it's important to explain that NatWest has to find a balance between identifying payments which could be fraudulent and then responding appropriately to their concerns - while ensuring minimal disruption to legitimate payments.

However, even if I was satisfied that NatWest should've intervened, it wouldn't change the answer I've reached. I say this because the chats Miss W has shared with us, show that R was advising her on what she should say if she was questioned about the payments.

In November 2023, Miss W said one of her card's had been blocked and R told her "tell them yes, you know what you are doing, if you tell them your boyfriend is assisting you, they will not unblock [sic]".

Each time Miss W had problems with payments from an account with one of her banks, or her credit cards, she talked to R and he gave her advice on what to do. When she had trouble using one account she would switch and make a payment by a different method.

So, I can't fairly say that if NatWest had called Miss W that she would've been honest about why she was transferring the money, or that it would've prevented her from making the payments. I realise this is because Miss W trusted R explicitly, but I'm not convinced that the bank talking to her would've broken the spell and prevented her loss.

#### Is there any other reason I could hold NatWest liable?

I have considered if there is any other reason that I could fairly hold NatWest liable for the money Miss W has lost.

As all of the payments went to accounts held in Miss W's name, the Contingent Reimbursement Model Code (CRM Code) doesn't apply. As the CRM Code only covers payments made to an account not in Miss W's control.

I have also considered whether Miss W's payments and transfers from her credit cards are covered by section 75 of the Consumer Credit Act 1974 – which covers some payments made using credit facilities, for example credit cards. But, as these transfers were made to accounts held in Miss W's name before being transferred on to the scammer, Miss W's payments aren't covered.

I'm really sorry to disappoint Miss W, but I'm not satisfied that I can fairly hold NatWest liable or ask them to refund her.

### The customer service that Miss W received in relation to calls in April 2024

NatWest have apologised and offered Miss W £100 compensation for the poor service she received during calls with them in April 2024. But I'm not satisfied that the £100 is fair.

I've listened to the calls and it's clear that Miss W was on the phone for a significant period of time, had to talk to NatWest staff in multiple departments, wasn't immediately given the information she asked for (an email address or postal address she could write to), and ultimately became very frustrated and upset.

Miss W had been given the phone number for NatWest's fraud team, which she had tried to call but had been unsuccessful. I appreciate that this may have been due to a technical problem, as a NatWest staff member tried calling the same number while Miss W was on the phone with them and encountered the same problem. But, when Miss W asked for another way to contact them and was repeatedly given the same phone number that she'd already tried, it added to her frustration.

Some of the staff were very empathetic and apologised for the difficulties that Miss W was experiencing, but there was a disconnect between the different departments which resulted in Miss W feeling like no one was helping and they weren't listening to her.

I can't make a compensation award based on the stress caused by the scammer, or Miss W falling victim to the scam. Also, compensation for NatWest's customer service failing doesn't take into account the loss Miss W has experienced as a result of the scam. But, considering how NatWest's poor service impacted Miss W and the amount of time she spent on calls, I think it's fairer for NatWest to pay Miss W a further £200 compensation – in addition to the £100 they've already paid.

My provisional decision was that I intended to ask NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to pay Miss W an additional £200 compensation.

### **Responses to my provisional decision**

Miss W responded saying the compensation level is far too low based on how she was treated and the trauma she experienced. She also referenced a separate issue regarding a default added to her credit report by NatWest.

NatWest didn't respond to my provisional decision

Under the Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.14, says, if a respondent (in this case NatWest) fails to comply with a time limit, the ombudsman may proceed with the consideration of the complaint.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my final decision.

### **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.

Miss W's concerns about a default on her credit report are being dealt with under a separate complaint - so I can't comment on those issues.

I appreciate that Miss W feels the compensation I've awarded is too low and she disagrees with the overall outcome reached. But she hasn't provided any new evidence for me to consider. So, I've reached the same answer as I did in my provisional decision.

I understand that Miss W has experienced trauma from falling victim to a romance scam and being betrayed by someone she trusted. There has been additional distress due to the amount of money she lost as a result of the scam and the impact that has had on her. But I can't hold NatWest liable for the distress caused by the scammer. I can only make an award based on their failings.

As detailed in my provisional decision and set out above, I'm not satisfied that the payments Miss W made were so unusual or out of character that I would've expected NatWest to identify a potential risk of financial harm or intervened when they were made.

However, even if NatWest had intervened, I'm not satisfied that the romance scam would've been uncovered as the scammer was telling Miss W what to tell the banks and EMI when she was asked about payments, or her accounts were blocked.

So, the only failing that I can make a compensation award for is the poor service that Miss W experienced in the calls she had with NatWest in April 2024. I'm satisfied that Miss W was caused additional stress during those calls as she wasn't given the information she requested and was passed unnecessarily between departments. But poor customer service doesn't mean that Miss W would be entitled to compensation that offsets the loss she suffered as a result of the scam. Having listened to the calls, I'm still satisfied that fair compensation is £300, which is an additional £200 on top of the £100 NatWest have already paid.

I'm sorry to disappoint Miss W, but I'm not satisfied that I can fairly hold NatWest liable for her loss or ask them to refund the payments she made as part of the scam.

### **Putting things right**

To put things right I require NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to pay Miss W £200 compensation, which is in addition to the £100 they've already paid her.

### **My final decision**

My final decision is that I uphold this complaint against NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY and require them to compensate Miss W, as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 15 July 2025.

Lisa Lowe  
**Ombudsman**