

## The complaint

Miss L complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) won’t refund her money she lost to what she believed to be a scam.

## What happened

The background to this complaint is well known to both parties, so I won’t repeat it all in detail here, but in summary I understand it to be as follows.

In or around April 2018, Miss L made a connection with a person, who I’ll refer to as “S” through an online dating service. After a few weeks, having initially exchanged messages, Miss L met S in person and continued to meet regularly for a number of years.

Miss L has described how she was in a normal relationship with S for some time, went on holiday with him and had no reason to doubt him. In June 2018, following S telling Miss L that they had been turned down for a loan, Miss L offered to help S out financially. Miss L has said she subsequently, between 2018 and 2023, went on to send money to S, totalling over £150,000, for a variety of different reasons. Miss L has told this service that at the end of 2020, S told her that he was admitted to a hospital, where no visitors were allowed, so from 2020 to 2023, Miss L has said she only met S around once a year.

In April 2023, after discussing S with them, a close friend and colleague carried out some research on social media and found posts suggesting that S wasn’t in hospital, but that he was working and was in a relationship with another person. Miss L has added that there is an ongoing police investigation into S.

Believing she’d been the victim of a scam, Miss L reported the matter to NatWest and asked it to consider reimbursing the money she lost. However, the bank refused to do so. It reviewed her claim under the Contingent Reimbursement Model (CRM Code) but declined it as it believed what had happened was more a civil dispute, than a scam. NatWest did recognise that the service it provided Miss L could have been better and in recognition of this paid her £50 in compensation.

Unhappy with NatWest’s response, Miss L brought her complaint to this service. One of our Investigators looked into things but didn’t think the complaint should be upheld. In summary, our Investigator didn’t think there was enough evidence to say what had happened was a scam and so they didn’t think NatWest had acted unfairly in declining Miss L’s claim.

Miss L didn’t agree with our Investigator’s view. In summary, she maintained that S had lied to her during the five years of the relationship. She said there was evidence of dishonest deception and that the money she sent was spent under false pretences and the funds weren’t spent as intended. Alongside this, Miss L raised that the police wouldn’t have spent time and money on this case, if they didn’t think there was enough evidence to progress to a conviction.

As agreement couldn’t be reached, the complaint has been passed to me for a 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 L, in response to our Investigator's view, has taken the time to provide some detailed and specific arguments as to why she thinks NatWest is liable to reimburse her the money she has lost. I won't be responding in kind, and I won't necessarily go through every single point on a strict point-by-point basis. I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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.

My role is to determine whether NatWest is responsible for refunding the money Miss L has lost. Having considered everything that both sides have currently said and provided, I cannot see any basis on which I can fairly instruct NatWest to take further action or to refund the money Miss L has sent. I know this is going to be upsetting news for Miss L so I will explain why.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. When NatWest made these payments, it was complying with Miss L's instructions. At the time, Miss L wanted to make the payments to S and there was no mistake made as the money was sent to the account details intended. As I don't think NatWest acted incorrectly by making the payments, I've gone on to consider whether it should have refunded Miss L for any other reason.

When considering what is fair and reasonable in this case, I've also thought about the Lending Standards Board's voluntary CRM Code, which NatWest was signed up to and which was in force at the time these payments were made. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam. I've thought about if the CRM code applies in the circumstances of this complaint and whether NatWest ought to reimburse Miss L because of any obligation under the CRM Code.

The CRM Code is quite explicit that it doesn't apply to all push payments. It says:

*"DS2(2) This code does not apply to: (b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier"*

The CRM Code isn't a general protection for consumers and only applies in very specific circumstances – where the customer has been the victim of an APP (authorised push payment) scam. Under the CRM Code, an APP scam is defined as:

*"...a transfer of funds...where*

- (i) *The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) *The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”*

So, the CRM Code only applies where a customer has been the victim of an APP scam - in other words a criminal fraud. In particular, the CRM Code doesn't apply unless it can reasonably be established that there was the intent to defraud the customer from the outset and that the high bar required for criminal fraud would likely be met.

The threshold for establishing fraud is a high one. In criminal proceedings, the standard of proof is “beyond reasonable doubt,” but this service assesses cases using the civil standard of proof, which is based on the balance of probabilities. Under this standard, a finding of fraud must be more likely than not. Even so, the bar remains high. It is not enough for fraud to be a compelling or persuasive explanation, nor is it sufficient for it to be the most likely among several possible explanations. It must be more probable than the opposite conclusion i.e. that fraud did not occur.

Applying the above to Miss L's case, I'd need to be satisfied not just that S misled her, but that he faked a relationship and deliberately tricked her into making payments that he had no intention of returning or using for the purpose for which they were intended. In the individual circumstances of this case, I'm not persuaded, with the evidence I have, that I can say that is most likely what happened.

To decide whether Miss L is the victim of an APP scam as defined in the CRM Code I have considered:

- The purpose of the payments and whether Miss L thought these purposes were legitimate.
- The purpose the recipient (S) had in mind at the time of the payments, and whether this broadly aligned with what Miss L understood to have been the purpose of the payments.
- Whether there was a significant difference in these purposes, and if so, whether it could be said this was as a result of dishonest deception.

I don't think there is any doubt that Miss L thought the purpose of sending the payments was legitimate. She thought she was loaning, or giving S funds to help him out as she believed she was in a relationship with them. It is difficult to know what S' intentions were. I don't have the power to compel S to provide me with evidence, or to cross-examine them or have them cross-examined in order to try and establish his true intentions.

I can understand why Miss L has questioned whether the funds she sent were used for their intended purposes. I agree that, for some of the payments, it is questionable as to whether they were used for the specific purpose that Miss L believed. But equally there isn't clear evidence that they *weren't* used for the reasons S gave to Miss L. Indeed, it does appear from the evidence that, at least some of the payments were used for their intended purpose. In saying this, I think it's also important to note that this service isn't in a position to forensically analyse all of S' accounts and to potentially follow a money trail, as a different body like the police may be able to do.

What we do know is that Miss L has said she met S on many occasions over a number of years and that she believes she was in a genuine relationship with them. Having reviewed the messages Miss L has provided to this service, it's clear that S was regularly in financial difficulties. On some occasions they asked to borrow funds and on others Miss L volunteered to give money to help S. The evidence from the messages also shows that S doesn't appear to dispute in anyway that they are heavily indebted to Miss L.

I do appreciate there is an ongoing police investigation and recognise that this may appear to be proof that Miss L has been the victim of fraud—as it infers that the police have taken the matter seriously enough to pursue this course of action. However, the purpose of an investigation is to gather evidence. And that will likely go toward investigating what the intent was at the time; the result of which may or may not lead to a prosecution. But in and of itself, a police investigation doesn't automatically mean that a fraud has occurred and importantly, I've not received any confirmation that S has been prosecuted or found guilty of fraud, or that Miss L's funds weren't used in the agreed manner.

I'm also mindful, that while I would stress this doesn't rule out the possibility that a fraud has taken place, at the point these payments were made the circumstances didn't demonstrate the typical hallmarks of a romance scam. Which more typically, involve victims meeting online but not in person, then sending money urgently because of an emergency and with the fraudster then becoming uncontactable and untraceable, which isn't the case here.

On balance, I can't safely say this situation meets the high legal threshold and burden of proof for fraud. It is inherently difficult for a bank or an Ombudsman scheme to determine whether Miss L was deceived into a false relationship which can only have been for the purposes of taking money from her or whether it was a genuine relationship that had broken down.

I'm mindful that NatWest found that it made an error, in not raising a fraud claim as soon as it should have done. In recognition of this NatWest awarded Miss L £50 by way of compensation. I do appreciate the impact this matter has had on Miss L. But I mustn't lose sight that the main perpetrator of the cause of the distress here, is S. The £50 NatWest has paid Miss L is an amount in line with what I would have awarded. So, I don't think it would be fair or reasonable for me to order it to increase this amount.

Overall, this is clearly a complicated matter – there is no doubt that Miss L has been badly let down. But based on the evidence available to me, I'm unable to conclude that this is a scam, rather than a complex relationship where Miss L has been misled on S' loyalty or genuine intentions towards her. And I have not seen sufficient evidence to establish that S fabricated the premise of the relationship in order to obtain money from Miss L. For that reason, I'm unable to say NatWest acted incorrectly by declining to reimburse Miss L under the CRM Code.

I am sorry to have to deliver this news to Miss L. I know this isn't the answer she is hoping for. I can't even begin to imagine how upsetting the last few years have been for her. It is clear that she has been through so much.

I would like to make it clear that my findings are not intended to conclusively rule this matter a civil dispute: I acknowledge the possibility that Miss L may have been the victim of fraud here. But the evidence currently available to me doesn't support that assertion to the extent that NatWest ought to have reimbursed her under the provisions of the CRM Code. I'm aware that the situation may change and material new evidence could become available in the future which would change this finding. Should this happen and further information come to light in the future that does support a fraud likely took place, Miss L has the option to present this new evidence to NatWest for review and further consideration.

**My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 11 February 2026.

Stephen Wise  
**Ombudsman**