

## **The complaint**

Mrs B is unhappy that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) won’t refund the money she transferred to a third party for work on her property.

## **What happened**

I’m not going to cover all the points raised in detail. But briefly in October 2024, Mrs B was looking for a quote for repairs to her roof. She was recommended the details of an individual her sister had previously used. Three people turned up and introduced themselves as representing the organisation - I will refer to as P in this decision. Mrs B said the traders started work immediately without her permission and she felt intimidated into going ahead with them.

On 3 October 2024 Mrs B transferred £600 to an individual (H). Mrs B told us she also paid cash (which she borrowed) and in total paid £2,100 for the work.

Mrs B says after the work was completed they noticed there were gaps in the roof and both the roof and guttering were leaking. Mrs B messaged them, but she never received a reply. She reported the matter to trading standards and the police. She has since discovered the three individuals don’t work for P or any other company and that H has been arrested. Mrs B says the police told her the matter was fraud.

Mrs B raised a complaint with NatWest about the £600 she transferred, but it deemed the matter to be a civil dispute. However, it acknowledged that there was an error in handling the complaint and awarded £75 in compensation as an apology.

Our investigator did not uphold the complaint. He said this was a civil dispute and that the £75 was reasonable in the circumstances.

Mrs B remained unhappy with the outcome and asked for an ombudsman to make a 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.

Having done so, I’ve come to the same outcome as the investigator for broadly the same reasons.

I’m sorry to hear about the situation Mrs B was left in and the impact this situation has had on her. She has paid a large sum of money for roof repairs. It’s clear that Mrs B feels strongly that the individuals concerned tricked her. From her perspective, they started work immediately when she had only invited them to come around for a quote and the work carried out did not resolve the original issue and made matters worse.

I understand Mrs B has strong views about what has happened. I want to reassure her that I've considered everything she's provided to support the complaint very carefully. If I don't mention a particular point or piece of evidence, that's not because I haven't taken it into account. It's just that I don't consider it necessary to reference it to explain my decision, which is focussed on what I consider to be the main and material issues on which this complaint turns.

I'm not deciding a dispute between Mrs B and the individuals concerned. I don't have any power to look into a complaint about them and how they acted. My role is limited to looking at whether NatWest has treated Mrs B fairly. Specifically, on whether it has obligations that might mean I can tell NatWest it needs to do more to help Mrs B. It's important to note that it isn't for NatWest (or this Service) to investigate the individuals or somehow prove that they weren't operating legitimately.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where I can't know for certain what has happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for firms to reimburse the customer even though they authorised the payment.

Prior to 7 October 2024, NatWest was signed up to the voluntary Contingent Reimbursement Model (CRM) Code. Under the CRM Code, the starting principle is that a firm should reimburse a customer who has been the victim of an Authorised Push Payment ('APP') scam.

An "APP scam" is defined in the Definitions and Scope section of the CRM Code:

"Authorised Push Payment scam, that is, a transfer of funds executed across Faster Payments, CHAPS or an internal book transfer, authorised by a Customer in accordance with regulation 67 of the PSRs, 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."

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

*"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".*

So, the CRM Code is not a general protection for consumers. Instead, it only applies in very specific circumstances – where the customer has been the victim of an APP scam. And

there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties for a dispute to exist. And unfortunately, businesses/traders can fail or be mismanaged such that contracts are breached and agreed goods and services aren't provided. But that doesn't necessarily amount to evidence of an intent to commit an APP scam.

For me to conclude that Mrs B has been the victim of an APP scam, I'd have to be satisfied that the individuals deliberately tricked her into making the payment for services they had no intention of providing at the time Mrs B made the payment. And I would need to be satisfied that the individuals were acting fraudulently or dishonestly to deceive Mrs B about the *very purpose* for which her payment had been procured.

According to Mrs B's original testimony to the bank, there's no dispute that the individuals did do work for Mrs B here. This suggests an intention to deliver the agreed services. They may have provided substandard work, but that's not enough to say this was an APP scam.

The issue seems to be that the work did not resolve the original issue and has made matters worse. The individuals disappeared and became uncontactable. But this (defective service or services not received) is an issue clearly stated as not being catered for within the CRM Code. In other words, the fact that the work was of a poor standard, doesn't necessarily make this an APP scam.

I can see why Mrs B feels differently. Some of issues Mrs B has highlighted suggest the individuals weren't acting as I might expect from professional tradesmen and that the people concerned are of poor character. It does seem that that the police investigation is now closed. The problem here is when looking at the CRM Code, I still think their intention was to do the work that had been agreed and that the payment was being made for the purpose Mrs B transferred it for.

I appreciate how frustrating and disappointing this answer will be. Mrs B has my sympathies. She found herself in an unenviable situation through no fault of her own. I'm not saying she doesn't have a legitimate grievance against the individuals. But I can only look at NatWest's responsibilities here. This type of dispute isn't something that the CRM Code covers or that I can hold NatWest responsible for.

I've listened to the calls when Mrs B first reported the matter to NatWest and I feel £75 is a fair and reasonable sum to reflect the case handling/information errors made.

Overall, I don't think NatWest has treated Mrs B unfairly when it made the decision not to reimburse Mrs B. I can't see any fair or reasonable grounds on which I could say that NatWest should bear the responsibility of Mrs B's transaction, and I don't think it ought to have done more to assist Mrs B in the circumstances – by intervening to prevent the payment or attempting to retrieve the payment from the beneficiary account.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 20 February 2026.

Kathryn Milne  
**Ombudsman**