

The complaint

Mrs A complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) is refusing to refund her the amount she says she lost as the result of a scam.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mrs A received a letter via post from an individual I will call X at a company I will call Y. X explained that Mrs A had previously invested and offered her a new investment opportunity.

It later turned out that Mrs A had made a previous investment with a different company that X had worked for in the past.

Mrs A understood that she would be purchasing holiday lodges and would receive a guaranteed income paid quarterly for two years, with a buy back option after that period.

Mrs A did initially receive returns on the investment and payments were made to her for several months totalling around £26,000.

X then emailed out to investors explaining that the manufacturers chosen to supply the lodges had gone into liquidation and payments would be delayed. X focused mainly on other positives such as a celebrity endorsement.

Having not received further payments from X/Y Mrs A carried out further research and was able to find other investors that had not seen a return, a group was formed of people that had lost money to the investment, and the overall view was that they had fallen victim to a scam orchestrated by X/Y.

Mrs A complained to NatWest, but NatWest decline to offer Mrs A a refund of her lost funds.

Our Investigator considered Mrs A's complaint and didn't think it should be upheld. Mrs A 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.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk investments that resulted in disappointing returns or losses.

Certain investments may have been promoted using sales methods that were arguably unethical and/or misleading. However, whilst customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal

threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself, or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

In simpler terms, some companies offering investments may have used sales and promotional methods that could be seen to be unfair by consumers considering the losses they've incurred – but this does not always amount to fraud.

While Mrs A has provided evidence of communication between herself and X/Y, and she has lost funds due to the investment, she did receive some returns at the beginning of the investment process, and it appears X was a genuine director of Y which was a registered business on companies' house.

The available evidence online suggests Y was a trading business that found itself in financial difficulty that then entered liquidation. I don't have enough to say that the business was setup with the intention of carrying out fraudulent activity or that Mrs A has fallen victim to a scam.

I understand that Mrs A feels the payments she has disputed should be refunded in accordance with the CRM Code. But the code only applies when domestic payments (as the result of a scam) are sent to another person.

As I have said above, I don't have enough to say Mrs A has fallen victim to a scam. So, I'm satisfied the CRM Code wouldn't apply in this scenario.

Should NatWest have reasonably prevented the payments Mrs A made?

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.

As I have been unable to find that Mrs A has fallen victim to a scam NatWest was not required to protect her from financial loss. But even if I was to say Mrs A has fallen victim to a scam (which I'm not), I don't think NatWest providing an intervention would have made a difference. I will explain why.

Mrs A made payments in relation to an investment that she had detailed information about. The business she was investing with was also a registered company on companies' house and there was little to no negative information about that company available online.

So even if NatWest had intervened and found out the information available at the time, it's unlikely it would have reasonably considered the payment to be linked a scam and have reasonably warned Mrs A of a financial risk.

With the above in mind NatWest is not responsible for Mrs A's loss, and it is not required to offer her a refund.

Mrs A says the information she has provided supports X/Y operating a scam and is also unhappy about other third-party involvement. But for the reasons I have already explained above Mrs A's points do not change my decision, and if Mrs A remains unhappy with the actions of a third-party, she may want to discuss those concerns with the third-party directly, as I am unable to consider those actions under this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 14 November 2025.

Terry Woodham
Ombudsman