

## **The complaint**

M, a limited company, has complained National Westminster Bank Public Limited Company did nothing to stop a payment being made by the business to fraudsters.

## **What happened**

M is a limited company with two directors; Mr M and Mr P. Mr M has brought M's complaint to the ombudsman service. Miss P is the authorised account signatory and has also provided her consent for the complaint.

One of M's clients was due to receive a settlement on a claim. M had been in contact with this individual (who I'll call Miss C) over a prolonged period. At the time they received Miss C's bank account details, they discovered this failed a confirmation of payee check. In accordance with their standard procedures, they asked for a copy of Miss C's bank statement. This was received. On 2 September 2024 a payment of £39,000 was made to Miss C's account in settlement.

Miss C eventually contacted M to query where her settlement was.

It became clear that M – and Miss C – were the victims of a sophisticated scam where scammers had cloned Miss C's email address, imitated her style and shared a bank statement which appeared genuine. Miss C's email address had been disguised by the omission of one letter, so she'd also been unaware of what was going on.

M contacted NatWest and asked for their assistance in tracking their money down and ensuring all was done so they could be refunded. NatWest contacted the beneficiary bank, but there were no funds remaining. NatWest also confirmed they wouldn't refund M. They felt M should have contacted Miss C verbally to check any new payment details.

M remained unhappy with NatWest's lack of refund so brought their complaint to the ombudsman service.

Our investigator reviewed the evidence. There was no dispute M had authorised the payment. She didn't believe that she'd have expected NatWest to have intervened in the journey of this one-off payment from a review of M's bank statements and seeing the type of transactions that were normal to the account.

M have asked an ombudsman to consider their complaint.

## **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 reached the same conclusion as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of

probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

M was scammed. I am sure this will have had an impact on employees and the directors and will have caused considerable distress. I am sorry about this.

I won't be writing in detail about the different aspects of what happened. I hope neither party thinks I'm being disrespectful but much of what happened isn't in dispute. There's no doubt M was scammed. I've seen the emails which formed the fraud. It's clear that the email address attempts to mirror Miss C's.

M also undertook a confirmation of payee check before setting up Miss C as a new payee on their account. This failed so M followed their standard procedure and asked her for a copy of her bank statement which she supplied.

I've also noted the detailed view – laying out the different steps of what happened – our investigator provided in April 2025. I see no need to repeat some of this, but I have obviously taken all of the evidence into account in coming to my decision.

There's no dispute that M made and authorised the payment for £39,000 to what they believed was Miss C's bank account. I'm therefore satisfied the transaction was authorised under the Payment Services Regulations 2017.

Our starting point is that banks and electronic money institutions are required to follow their customer's instructions. But, as NatWest will be aware we take into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time of the payments.

In this case I have also noted M had a considerable financial turnover in 2023-24 so there were many payments in and out of this account. Payments of around £50,000 in value were not unusual and considerably higher-value payments were also made and received. Some of these would have been regular financial commitments, but others would be one-off payments. M made a number of high-value payments in the month preceding the payment to Miss C. For example, payments of £68,863 on 7 August, as well as a payment for £349,950 made the same day. The week before the payment was made to Miss C, there were also payments for £186,000 and £17,600.

Whilst banks do maintain checks of their customers' accounts, and M has confirmed that payments have been held up and checked on occasion, I can't see anything about this one-off payment that would have alerted NatWest.

I appreciate M has said that the payment failed a confirmation of payee check and that they feel this should have raised a flag with NatWest. But I don't agree. This flag is raised to alert the person making the payment to ensure all suitable checks have been carried out to match the account with the person they are paying.

In my review of the evidence, I've considered whether NatWest should have recognised that this business was at risk of financial harm from fraud and done more. But, based on the evidence I've seen I don't believe so.

I'm very aware that M is a small business so I have not used the criteria I may have considered appropriate for an individual consumer but in this case, I don't believe NatWest should have done more.

I note that NatWest raised a request for any funds remaining with the beneficiary bank as

soon as they were alerted by M but by that stage – well over a month since the original payment – there was nothing left.

I won't be asking NatWest to do anything further.

### **My final decision**

For the reasons given, my final decision is not to uphold M's complaint against National Westminster Bank Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 6 January 2026.

Sandra Quinn  
**Ombudsman**