

The complaint

S, a limited company, complains that National Westminster Bank Plc won't reimburse them for funds they lost to a scam. They'd like the funds returned to them along with interest. S has appointed representatives for this complaint, but for ease of reading I'll only refer to S.

What happened

The background here is well known to both parties, so I will only cover it off briefly here. In April 2023 S were the victims of an email intercept scam and were tricked in to sending two payments from their NatWest account to a scammer posing as a long-standing supplier. £24,394.80 was sent on 14 April and £28,579.50 was sent on 28 April. This was discovered when the real supplier contacted them on 23 May 2023, chasing payment. S told NatWest what had happened, who in turn told the receiving bank. But no funds remained.

S complained to NatWest saying they should be reimbursed under the Lending Standard Board's Contingent Reimbursement Model (CRM) code. They also felt NatWest should have flagged the payments as out of character and discussed them before releasing them. NatWest responded to say they didn't feel the payments were out of character for S' account, and they had reported the fraud to the receiving bank at the earliest opportunity. They didn't think they should be liable for refunding S.

Dissatisfied with this S referred their complaint to our service. One of our investigators looked into what happened, but wasn't persuaded NatWest needed to do anything further. She reasoned that S was too large a business to be covered by the CRM code, and the transactions themselves didn't stand out as unusual compared to S' usual activity. So, she didn't see that NatWest could reasonably have prevented a loss to S. She also thought NatWest's attempts to recover the funds were reasonable. But S disagreed, and as such the complaint has now been passed to me to decide on.

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.

Firstly, I recognise that S has been the victim of a crime here and has lost out because of it. But having considered everything carefully, I'm not persuaded that it would be reasonable for me to direct NatWest to reimburse S. I'll explain why.

This hasn't been argued by S in response to the investigator's opinion, but I agree that S is too large a business to be covered by the CRM code. The code, which NatWest are signed up to, says that banks should generally refund the victims of authorised push payment fraud, subject to certain exceptions. The wording of the code is that it covers consumers, micro-enterprises and charities. S is neither a consumer (an individual acting for purposes outside their trade, business or profession), nor a charity. A micro-enterprise is a business with either assets or turnover less than €2million, and fewer than 10 employees. But looking at the information S has given us, and the publicly available information on Companies House, S had over 30 employees in the relevant year. This is the same when I consider the two

previous years, so I'm satisfied that S is too large to be considered a micro-enterprise, and as such can't rely on the protections of the CRM code.

I have gone on to consider whether there is anything NatWest should reasonably have done that would have prevented the losses to S. The starting position under law is that if a customer has correctly authorised a payment from their account, the bank is responsible for making this payment promptly – and if it later turns out to have been part of the scam there's no responsibility on the bank to refund the losses.

But NatWest, like all banks and payment service providers in the UK, have a responsibility to monitor accounts for signs of financial harm – such as fraud, scams, money laundering, etc. And if a payment, or series of transactions, looks particularly out of place, or high risk, then I may expect a bank to intervene and ask further questions before releasing the payment. The hope here is that any scam is discovered.

Here though, I'm not persuaded that the transactions themselves appear to be unusual for S' account. In April 2023 the account was regularly making and receiving payments for similar amount as was sent. I've considered S' point that these were new payment details, but broadly it would be reasonable to expect a business like S to have to make payments to new payees, or update payment details, on a regular basis. And I would see it reasonable for NatWest to assume S had robust procedures in place to verify any payment requests. I'm not persuaded here that NatWest should reasonably have questioned these particular payments further. So, it follows that I don't see that it was unreasonable that NatWest processed the payment instructions as requested.

I can see that once NatWest were informed of the fraud, they contacted the receiving bank within a reasonable timeframe. Unfortunately, no funds remained to return to S. I see that NatWest have done what would be expected in the circumstances, but there was nothing to return to S. I can sympathise with S here, and I know they will naturally be disappointed with my decision. But I'm not persuaded that NatWest have done anything wrong here, and it follows I don't see that they need to do anything further.

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 S to accept or reject my decision before 5 January 2026.

Thom Bennett
Ombudsman