

## **The complaint**

Mr M complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't refund the money he lost when he was the victim of what he feels was a scam.

## **What happened**

In May 2021, Mr M found out about an investment company from someone he knew on a social media platform. He was then put in touch with someone connected with the company who explained to him how the investment would work and the returns he could receive.

Mr M was told the company would act as a broker, investing on his behalf and trading in foreign exchange markets. And after looking into the company and speaking with other people who had invested, he decided to invest with the company. He then made a number of payments from his NatWest account over the following 16 months, totalling around £95,000, to fund his investment.

Mr M was initially told his investment was making a profit and was able to make a number of withdrawals back to his NatWest account. But there were then delays receiving withdrawals and the investment company converted investors' balances into its own cryptocurrency coin. And as he hadn't agreed to this and the value of the coin became very low, Mr M felt he'd been the victim of a scam.

NatWest investigated but said it felt this was a civil dispute between Mr M and the investment company, as this was a high-risk investment that had failed rather than a scam. So it didn't agree to refund the money Mr M had lost. Mr M wasn't satisfied with NatWest's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think any intervention we would have expected NatWest to have made would have prevented the loss Mr M suffered, so didn't think it would be fair to require it to refund his loss. Mr M disagreed with our investigator, so the complaint has been passed to me.

## **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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been raised as part of this complaint is set out above, I have read and considered everything that's been provided.

Mr M strongly believes that the investment company was operating a scam and has provided detailed submissions in support of this. But while I appreciate he would like me to make a conclusive finding on this point, I don't think it's necessary to do that in this case. This is because, even if I were to accept that Mr M was scammed, I'm not persuaded that NatWest could have prevented the loss he suffered. I'll explain why.

Banks are expected to make payments in line with their customers' instructions. And Mr M accepts he made the payment here. So while I recognise he now feels the money has been lost to scammers, he did authorise the payment. And so the starting position in law is that NatWest was obliged to follow his instructions and make the payment. So Mr M isn't automatically entitled to a refund.

The regulatory landscape, along with good industry practice, sets out requirements for banks to protect their customers from fraud and financial harm. So, in line with this, I think NatWest should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which account providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

But, even if NatWest had recognised that Mr M was at heightened risk of financial harm from fraud when making some of these payments, I don't think the action I would have expected it to take would have prevented his loss.

At the time he made the payments, the investment company was registered overseas and was regulated by the relevant local regulator. And while regulatory requirements can vary from one jurisdiction to another, I think a company operating a scam is highly unlikely to submit itself to any kind of regulatory oversight – given the risk of its true purpose being discovered. So I think the investment company being registered and regulated in this way would have reassured both Mr M and NatWest that it was genuine.

Mr M has said he found out about the investment company through someone he knew on a social media platform, and that he spoke to them and several other people who had been investing with the company for some time and receiving returns. He's also said he confirmed that the company was regulated by the appropriate regulator and maintained a physical office, which he understood several other investors he knew of had visited in person. And I've not seen evidence that there was significant negative information about the company online, showing that it was operating a scam, at the time of the payments he made. So I think NatWest would have been reassured that Mr M had done as much due diligence as he could and I don't think any further checks NatWest could reasonably have been expected to suggest Mr M carried out would have uncovered any significant concern.

And so if NatWest had carried out the checks I would've expected when Mr M tried to make these payments, I think it would have been satisfied with the information it was given and I don't think anything it was told or shown would've caused it significant concern. Based on the information I would have expected it to uncover at the time, I think this would have looked like a genuine investment to NatWest. And so I wouldn't have expected it to stop Mr M making the payments.

We also expect businesses to take reasonable steps to recover any money their customers have lost. But as these payments were reported to NatWest more than a year after they were made, and the majority of the payments were made to accounts overseas, I don't think it's likely that anything we would have expected NatWest to have done would have led to any more of Mr M's money being recovered.

I appreciate that Mr M feels he has been the victim of a scam and that my decision will come as a disappointment to him. He has lost a significant amount of money and I sympathise with the position he has found himself in. But I can only look at NatWest's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected it to have done would have prevented the loss he suffered. And so I don't think it would be fair to require NatWest to refund the payments Mr M made here.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 September 2025.

Alan Millward  
**Ombudsman**