DRN-5688585

Financial Ombudsman Service

The complaint

Ms N complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest"), have failed to refund money that she lost as part of a scam.

What happened

Ms N met a person online. After a few months this person who I will call C persuaded Ms N using a number of different reasons to send him money via crypto exchanges between October 2021 and July 2023. These transactions were a mixture of transfers and card payments.

Ms N eventually realised that C was a scammer.

One of our investigators looked into this matter and she did not think that NatWest needed to intervene during the scam. So, she did not uphold this complaint.

Ms N did not agree with these conclusions and so her complaint has been passed to me to issue a final 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 agree with the conclusions reached by the investigator for the following reasons.

In broad terms, the starting position is that NatWest is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

But, taking 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, I consider it fair and reasonable that NatWest should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms 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, or provided additional warnings, before processing a payment – (as in practice NatWest sometimes does including in relation to card payments);

- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this instance, the transactions were not in isolation large enough, and the pattern of spending was not sufficiently indicative of a scam, to be considered unusual or sufficiently out of character, compared to Ms N's usual account activity.

So, having considered the payments Ms N made, I'm not persuaded there was anything that ought reasonably to have triggered NatWest's fraud monitoring systems, or that would have indicated she was in the process of being scammed. I therefore do not consider there to have been any obligation on NatWest to have intervened during the scam.

I also note that even if NatWest had intervened (although I don't think it had to) I have doubts as to whether this would have stopped the scam. Ms N has said one of her other account providers did intervene on a number of occasions including invoking the banking protocol in branch and yet this did not stop the scam. I note that the branch intervention was in October 2022 so it is possible that an earlier intervention would have had more effect. But on balance given that interventions from one of her other current account providers did not stop the scam, I don't think that any intervention from NatWest would not have stopped the scam either.

So, taking everything into consideration, I do not think that NatWest could have uncovered and prevented the scam.

I've also thought about whether NatWest did enough to attempt to recover the money Ms N lost. In this instance the transfers would not be covered by the Contingent Reimbursement Model ("CRM") as the funds were being sent to accounts in Ms N's own name. So overall I don't think that NatWest could have recovered any of the funds.

I note that Ms N's other account provider did refund the money that was lost in the scam but I can only ask NatWest to refund the money that Ms N lost if I think that it should have intervened during the scam and that this intervention would have stopped the scam and I don't think in this instance for the reasons set out above that it could have.

I appreciate this will likely come as a disappointment to Ms N, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded that NatWest can fairly or reasonably be held liable for her losses in these circumstances.

My final decision

My final decision is that do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 28 August 2025.

Charlie Newton
Ombudsman