

The complaint

Mrs C complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't refund the money she says she lost to a scam.

What happened

Mrs C engaged the services of a roofer to fix a leak in her roof. She found this roofer, who I will call 'M' – on a well-known website where she had posted details of the work that needed to be done. M agreed to repair Mrs C's roof at a cost of £650. Mrs C was given an invoice with the details of a third party and asked to make the payment for the work to that person, when she was told the work had been completed, she made the payment.

Shortly afterwards Mrs C discovered that her roof was still leaking. Her husband contacted M and asked him to come back to have another look at the roof. M initially agreed to this but ultimately did not return to the property.

Mrs C therefore asked NatWest to refund the loss, as she believed she had been scammed by M.

NatWest looked into what had happened, but said Mrs C wasn't eligible for a refund under the relevant regulations as it didn't think she had been the victim of a scam. It said it thought this was more likely a private civil dispute between Mrs C and M.

Unhappy with NatWest's response, and with how difficult it had been to communicate with NatWest given her personal circumstances, Mrs C brought her complaint to this service and one of our investigators looked into things. But they agreed with NatWest that this was most likely a civil dispute, and so Mrs C was not entitled to a refund of the payment she had made. Mrs C remained unhappy, she maintains that M set out to defraud her.

As the case could not be resolved informally, it's been passed to me for a 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 and having thought very carefully about NatWest's actions, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Mrs C but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold NatWest liable for the loss.

This is because not all cases where individuals have lost sums of money are in fact fraudulent and/or a scam. So, whilst I can quite understand why Mrs C feels that this was a scam, there is a high legal threshold or burden of proof for fraud and there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties and for a dispute to exist.

When considering what is fair and reasonable in this case, I've thought about the Contingent Reimbursement Model Code (the CRM Code) which NatWest has signed up to and which was in force at the time Mrs C made this payment.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam. So, I've thought about whether the CRM code applies in the circumstances of this complaint, and whether NatWest therefore ought to reimburse Mrs C under the provisions of the CRM Code.

The CRM Code only applies in very specific circumstances – where the customer has been the victim of an APP (authorised push payment) scam. Under the CRM Code, an APP scam is defined as:

“...a transfer of funds...where (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or (ii) The customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”

The CRM Code is also quite explicit that it doesn't apply to all push payments. It says:

“DS2(2) This code does not apply to:

(b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier.”

Fraudulent isn't defined in the CRM Code, but as the CRM Code specifically excludes civil disputes, I think I need to consider, as a first step, whether this was a scam (where a scammer takes money from a customer for no legitimate purpose) or a civil dispute (where a payment is made to a legitimate trading company or business, but there is some dispute about the goods or services that should have been supplied).

If this was a scam, or fraud – then banks (including NatWest) must follow industry and regulatory guidance, including the CRM Code, to check certain payments and in some circumstances, protect customers by stopping the payments and contacting customers about them. And where banks haven't followed the guidance, they can be asked to refund them. But where payments are made to a legitimate business for a legitimate reason, then such principles don't apply. This is then classed as a civil dispute, and for which banks normally have no liability.

Having thought very carefully about all that Mrs C has said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty, based on what I know and what the evidence shows, that M set out with an intent to defraud Mrs C.

I say this for the following reasons:

- M (or someone acting on his behalf) does appear to have carried out some work at Mrs C's property. Mrs C has said she does not believe any work was done, but she has not provided any evidence to support this.
- While there is limited information available online about M, many such businesses operate as sole traders and on word of mouth rather than having any particular online presence, and while Mrs C has provided evidence of some negative reviews of M, those records also include various positive reviews of M's work. So, I don't think the

negative reviews conclusively show that M was acting dishonestly.

- While it appears that the person Mrs C paid is not the same person that she initially received contact from regarding the job I don't think there is any clear evidence to show that M attempted to conceal this from Mrs C. The invoice clearly included the details of who she was paying, and there are various explanations for why this may have happened other than it being some kind of scam – such as M passing the work on to either someone who worked for him or another roofer he knew, M needing to use someone else's bank account for some reason, etc.

All of this leads me to consider that M was more than likely attempting to operate legitimately at the time this payment was made. I acknowledge that Mrs C's roof does not appear to have been fully fixed, but there are many reasons, other than fraud, why a legitimate contractor may do substandard work. A business may act unprofessionally but still be carrying out legitimate business, and this service isn't in a position to forensically analyse M's actions here; we must consider the evidence that is before us. And, in doing so, I've not seen persuasive evidence that M set out to defraud Mrs C.

I know this will be a huge disappointment to Mrs C. I appreciate how strongly she feels about this case, and that she has lost a significant amount of money here. But for the reasons I've explained above, I do not consider that the payment in dispute here is covered under the CRM Code, or that it would be fair to hold NatWest responsible for the money lost under any of the other relevant regulations or guidance.

Turning to Ms C's concerns about her communication with NatWest, I can see that the way the Relay system interacted with NatWest's processes caused her additional frustration at an already difficult time. I acknowledge that it does appear to have been more difficult for her to communicate with NatWest as a result of this, but I don't think I can fairly say that this is down to any clear error or failing on NatWest's part. And looking at the timeline of her communication with NatWest, Mrs C does appear to have been able to log her concerns and receive a response to her concerns within a reasonable period of time. So, while I acknowledge that the process itself was frustrating, she was still able to have her concerns heard and considered, albeit that she did not receive the answer from NatWest that she was hoping for. And NatWest has confirmed that it has taken on board her feedback about how the process worked for her.

With all of this in mind I am satisfied that NatWest has treated Mrs C fairly here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 13 August 2025.

Sophie Mitchell
Ombudsman