

## **The complaint**

Mr and Mrs K have complained about National Westminster Bank Public Limited Company not refunding several payments Mr K says they made and lost to a scam.

I'll note here that this is a joint account held by Mr and Mrs K and so the decision is for them both. However, as Mrs K does not seem to have been party to the scam itself I will just refer to Mr K throughout.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr K fell victim to an investment scam after he was contacted by a scammer via social media. The scammer informed him that she was a former investment executive from a well-known financial company. Mr K said she used communications that were persistent, emotionally manipulative and designed to build trust through daily contact. She then pressured Mr K to invest circa £2,077.98 from his pension savings, first into a cryptocurrency exchange before being forwarded to her investment platform. After one of his transactions was blocked by NatWest the scammer attempted to persuade Mr K to use another platform to transfer funds. It was at this point he ceased all communications and all his deposited funds were frozen within the scam platform.

Mr K believes that NatWest should have given him earlier warnings in order to prevent his losses occurring. NatWest disagreed that any of the earlier transactions should have been stopped – because they were made to his own legitimate external account.

Mr K did not agree with NatWest and also informed it they did not offer him good customer service during his telephone call with an agent. So, he referred the complaint to us to investigate. Our Investigator didn't uphold the complaint as, although she agreed Mr K had lost his money because of a scam, the payments were not of a level that they should have caused NatWest any concern.

As our Investigator couldn't resolve the matter informally the case has been passed to me for 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr K has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean he is automatically entitled to recompense by NatWest. It would only be fair for me to tell NatWest to reimburse Mr K for his loss (or a proportion of it) if: I thought it reasonably ought to have prevented all (or some of) the payments, or NatWest hindered the recovery of the payments Mr K made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether NatWest treated Mr K fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr K's complaint. I know this will come as a disappointment to him and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr K made the payments himself and the starting position is that NatWest should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr K did not intend for his money to ultimately go to a scammer – but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to NatWest that Mr K might be at a heightened risk of financial harm due to fraud or a scam.

NatWest should have identified when Mr K's payments were going to a cryptocurrency exchange as the merchant is well-known. However, that doesn't mean they *all* should automatically be treated as suspicious; particularly when there are no other concerning factors about the payments. Many banks have made the commercial decision to prevent their customers from using their service to send money to cryptocurrency exchanges. Albeit investing in cryptocurrency is a highly risky endeavour, it is ultimately a legitimate one and so certain banks do permit payments to cryptocurrency exchanges.

Having considered Mr K's payments that were successfully sent, via the cryptocurrency exchange, to the scammer I agree with our Investigator's findings. I'm not persuaded that

NatWest should have been concerned with these payments as they would not have appeared to be suspicious or unusual. I say this because the payments were not of such a value, or completed at such a frequency, that I would have expected NatWest to have intervened. Ultimately, the payments Mr K made at this point did not have the common characteristics to suggest he may be falling victim to a scam.

I think it's important to highlight that there are many payments made by customers each day. It's not reasonable to expect NatWest to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions. So, although I appreciate Mr K thinks NatWest should have intervened during these earlier payments to prevent his losses, I am not persuaded it ought to have been suspicious about them.

I have noted that Mr K has said he was in a vulnerable situation at the time of the scam. The repercussions such a cruel scam has had on Mr K is not something I have overlooked when reaching my decision. However, I have not seen a pattern, or wider red flags, emerge that would have highlighted to NatWest that Mr K potentially had vulnerabilities impairing his decision-making abilities during this scam. I am empathetic towards him, but I do not consider, in isolation of any other clear indicators of a potential risk of financial harm, that his situation ought to have triggered additional red flags for NatWest.

I'm very sorry to disappoint Mr K as I do not doubt he did fall victim to a very cruel scam, conducted by a manipulative individual. I also appreciate the impact this has had and how challenging this time has been. However, it wouldn't be reasonable for me to ask NatWest to refund the payments he made.

For completeness, I'll also add that I do not think there were any service failings by NatWest and it did ultimately seek to help Mr K during a very difficult time.

#### The Contingent Reimbursement Model Code

Although NatWest has signed up to the Contingent Reimbursement Model Code, the payments Mr K made from his NatWest account aren't covered by the Code. This is because he made the payments from his NatWest account to his other account and not to another person. I cannot fairly and reasonably say that NatWest should have to refund payments under the Code when it doesn't apply here.

#### Recovery

The only method of recovery NatWest would have had for Mr K's payments was to contact the entity where he originally sent them, not the scammer directly. However, if these funds had not already been transferred to the scammer, they would be in his account to access as and when he chose. So, I'm not persuaded that NatWest could have done anything to successfully recover his funds after Mr K alerted it to the scam.

#### **My final decision**

My final decision is I do not uphold this complaint against National Westminster Bank Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs K to accept or reject my decision before 28 October 2025.

Lawrence Keath  
**Ombudsman**