

The complaint

Mr and Mrs B a director of C has complained that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't refund the full amount of money they say they lost to a scam

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr and Mrs B on behalf of C, made two payments to an investment company that they now say is a scam.

When Mr and Mrs B realised they had lost the money they had invested on behalf of C, she logged a complaint with NatWest. NatWest looked into the complaint but didn't uphold it. It said it was more a civil dispute than a scam.

So, Mr and Mrs B brought their complaint on behalf of X to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator also thought it was a civil dispute rather than a scam. As Mr and Mrs B disagreed, the complaint has been passed to me to consider.

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 have decided to not uphold this complaint. I know this will be disappointing for Mr and Mrs B, so I'll explain why.

I'm very 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 focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. 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'm sorry if B lost money but this doesn't automatically entitle B to a refund from NatWest. It would only be fair for me to tell NatWest to reimburse B if I thought it reasonably ought to have prevented the payments or it unreasonably hindered recovery of the funds.

Banks have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. These are predicated on there having been a fraud or scam. So, a first consideration in determining NatWest's obligations here would normally be: was Mr and Mrs B scammed as they allege?

NatWest has signed up to the voluntary Contingent Reimbursement Model (CRM) Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.

I have set out the definition of an APP scam as set out in the CRM Code below:
...a transfer of funds executed across Faster Payments...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.

I've therefore gone on to consider whether the payments Mr and Mrs B made on behalf of B, made to the investment, fall under the scope of an APP scam as set out above. Having done so, I don't think it does. I'll explain why in more detail.

To determine if Mr and Mrs B has been the victim of a scam, I have to consider if their intended purpose for the payments was legitimate, whether the intended purposes B and the investment firm were broadly aligned and, if not, whether this was the result of dishonest deception on the part of the firm.

Based on the evidence available to me, it appears the company C invested (and the name in which it also received returns from) in, is listed on Companies House and is still active. It also appears that it is regulated by the FCA and from a search on the internet, it appears that the company is still trading, has a registered address and appears to be taking on new business. Which is not what we normally see from this type of investment scam.

So, I've gone on to consider whether the purpose for the payments aligned with what Mr and Mrs B intended, on behalf of C. On balance, I think what I've said above shows that C made the payments to a legitimate company involved in legitimate projects.

On balance, I'm satisfied the investment firm's intended purpose for the funds aligned with C's and nothing I have seen indicates to me that they intended to defraud C. Instead, I think it's more likely this was a failed investment, So I don't think it meets the definition of an APP scam. And I think NatWest acted reasonably when it treated the case as a civil dispute.

Having said that, even if I did consider this was a scam, which for the avoidance of doubt and for reasons explained above I don't, if NatWest had stopped the payments and spoken to Mr and Mrs B on behalf of C, ultimately, I do not think any intervention would have made a difference or prevented the payments. I say this because when C made the payments, they were led to believe they were investing in a legitimate company and product. As I've said above, I'm not aware of any information NatWest could or should have known at the time from which it ought to have been concerned Mr and Mrs B were being scammed.

NatWest could have given Mr and Mrs B general fraud and scam advice in relation to investing in particular. But ultimately, I do not think I can fairly say it would have been able to give them any information that would have led them to doubt the investment opportunity (including if they'd undertaken further reasonable research at the time), especially considering the returns they received.

So, even if they had been questioned in more detail about the investment, I do not think it would have highlighted anything that would have caused concern or led NatWest to believe they were at risk of financial harm from a fraud or scam, because, I'm not persuaded they would have found any negative information.

So, while, Mr and Mrs B feels that NatWest should refund the money they lost and I understand that this will have been frustrating for them, I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think NatWest needs to pay Mr and Mrs B (on behalf of C) any compensation. I realise this means C is out of pocket and I'm really sorry they lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B and B to accept or reject my decision before 26 August 2025.

Jade Rowe
Ombudsman