

The complaint

Mr G complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') won't reimburse the funds he lost when he says he fell victim to a scam.

What happened

Mr G says that through friends who were receiving returns he was introduced to an investment opportunity with a company I'll call D in this decision. D was involved in forex trading and offered good returns. Mr G says he also met the two directors of D, who explained the nature of the investment. In June 2019 Mr G paid D £5,001.

Mr G received some returns but the directors of D then made excuses and he didn't receive anything more.

Following a court order to wind the company up a liquidator was appointed in December 2023.

Through a professional representative Mr G complained to NatWest in January 2025. He said he was the victim of a scam and should be reimbursed under the Contingent Reimbursement Model Code ('CRM Code').

NatWest said Mr G had a civil dispute as he had paid a legitimate company that had gone into administration.

Mr G was unhappy with NatWest's response and brought a complaint to this service.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. She said NatWest acted reasonably in deciding Mr G has a civil dispute with D that isn't covered by the CRM Code. The investigator noted that NatWest was unable to locate beneficiary information or confirm if it had reached out to the beneficiary bank, but given it deemed this to be a civil dispute she couldn't say NatWest had done anything wrong.

Mr G, through his professional representative, didn't agree with the investigator's findings. In summary, he said:

- The conclusion that Mr G has a civil dispute with D overlooks the possibility that D operated with deceptive intent from the outset and that early returns were paid to build trust.
- The investigator's statement that there was no information about whether NatWest contacted the receiving bank raises serious concerns.
- His request for £1,000 compensation for distress and inconvenience was dismissed without considering how the complaint was handled or NatWest's procedural transparency.

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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account 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.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

NatWest is a signatory to the CRM Code which provides protection to scam victims. Under this code, the starting principle is that a firm should reimburse a customer who is the victim of an authorised push payment (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 considered whether Mr G's claim falls within the scope of the CRM Code, which defines an APP scam as:

...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) (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 explicit that it doesn't apply to private civil disputes.

So, I need to decide whether NatWest acted fairly when concluding that this amounted to a civil dispute and not a scam. It is for Mr G to demonstrate that he is the victim of an APP scam. To decide this, I have considered:

- The purpose of the payment and whether Mr G thought this purpose was legitimate.
- The purpose the recipient (D) had in mind at the time of the payment, and whether this broadly aligned with what Mr G understood to have been the purpose of the payments.
- Whether there was a significant difference in these purposes, and if so, whether it could be said this was as a result of dishonest deception.

Mr G says he thought he was investing with D to earn a profit. I haven't seen anything to suggest he didn't think the investment was genuine.

I haven't been provided with evidence that leads me to believe Mr G's purpose in making the payment and D's in taking it weren't aligned, or that there was dishonest deception.

When submitting his complaint, Mr G's representative said D was widely accepted to be a scam but didn't provide any detail as to why. When the investigator asked why Mr G thought D operated a scam, he said it was because he didn't receive the funds he was promised. But this isn't enough to bring Mr G's claim within the scope of the CRM Code. Businesses can fail or be mismanaged resulting in agreements being breached and expected returns not being provided.

I have reviewed the emails from D provided by Mr G. But they don't show his funds were used for a different purpose to the one intended. Whilst there is mention of a police investigation, there is no evidence of what the police were looking into, and I've seen nothing to suggest that charges have been brought. I also haven't seen any evidence of an investigation by any other party that concludes D was operating a scam.

It is possible that material new evidence will come to light in the future which suggests that D took Mr G's funds with dishonest intent. If this happens, Mr G may ask NatWest to reconsider his claim.

I turn now to the points raised by Mr G in response to the investigator's view. He has referred to the "possibility" that D operated a scam and that early returns could have been part of a strategy to build trust. I'm required to reach a decision on the balance of probability. So, I need to see evidence that it's more likely than not that D took Mr G's funds with a different purpose in mind as a result of dishonest deception. A possibility or chance that this was the case doesn't go far enough. And given NatWest deemed Mr G to have a civil dispute, it didn't need to contact the receiving bank to attempt to recover funds.

I've gone on to consider whether there is any other reason I can require NatWest to reimburse Mr G. NatWest should be on the lookout for, and protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character. Where potential fraud is identified, I would expect NatWest to intervene and attempt to prevent losses for the customer.

In this case, even if NatWest had intervened when the payment was made, I don't consider it would have made a difference and prevented Mr G's loss. I say this because D was a registered company, and the investment opportunity was recommended to him by friends who were happy with their returns.

Mr G has asked for £1,000 for poor service but hasn't specified how the service provided fell short. I haven't seen any evidence that NatWest's service was poor, so I am not making an award.

Overall, whilst I'm sorry to hear of Mr G's loss, I can't fairly require NatWest to reimburse him.

My final decision

For the reasons stated I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 December 2025.

Jay Hadfield
Ombudsman