

The complaint

Mr K complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) declined to reimburse losses he incurred as the result of an alleged scam.

What happened

Mr K was looking to book a trip and contacted a company who could assist him with the booking of the holiday. This company will be further referred to as “Company A”.

Mr K and Company A discussed the trip and costs and, satisfied with what he’d seen, Mr K made a payment to Company A in February 2024.

Mr K later discovered that the flight tickets were not valid and was unable to obtain a refund from Company A. Mr K subsequently contacted NatWest to request reimbursement of his money as he felt he’d been the victim of a scam.

NatWest investigated the matter but declined to reimburse Mr K on the basis that it was a civil matter between him and Company A. Unhappy with this response, Mr K referred his complaint to our service.

An investigator looked into Mr K’s complaint but did not uphold it. The investigator felt that the evidence didn’t suggest that Mr K had been the victim of a scam and so didn’t believe NatWest were incorrect in declining his request for reimbursement.

Mr K disagreed with the investigator’s assessment and provided detailed submissions as to why he still believed he’d been the victim of a scam.

As the complaint couldn’t be resolved by the investigator, it has 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.

Mr K has provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mr K’s complaint. This is not meant to be a discourtesy to Mr K and I want to assure him I have considered everything he has submitted carefully. 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.

In broad terms, the starting position at law is that a bank such as NatWest 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.

Here it's not in dispute that the payment was authorised, so the starting position is that NatWest isn't liable for the transaction.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

NatWest also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether NatWest acted fairly and reasonably in its dealings with Mr K.

NatWest are a signatory of the Contingent Reimbursement Model (CRM) Code which requires firms to reimburse customers who have been the victims of authorised push payment (APP) scams in all but a limited number of circumstances.

The relevant part of the CRM Code definition of an APP scam requires that the payment was made to: *"another person for what they believed were legitimate purposes but which were in fact fraudulent."*

The Code also explains that it does not apply to *"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"*.

In order to reach my decision on this complaint, I've considered the purpose for which Mr K made, and Company A received, the payment. And, if there is a significant difference in these purposes, whether I can be satisfied that this difference was as a result of dishonest deception.

It's clear that Mr K made the payment in order to purchase flights for a holiday. So, I've gone on to consider what purpose Company A had in mind and whether that was in line with the purpose Mr K made the payment.

Although I accept that Company A has failed to provide Mr K with the goods and services paid for, I'd need to see convincing evidence that they never intended on supplying the flights to Mr K and that they obtained his funds as a result of dishonest deception.

I've searched for information online regarding Company A in an attempt to discover why they may have ceased trading and failed to deliver the goods to Mr K. One online news outlet has released an article covering the company which references a dispute between senior staff at Company A. The article says:

'[News outlet] has learned that the two senior figures behind [Company A] are engaged in a bitter feud and legal battle over a series of allegations which include an alleged kidnapping.'

The article goes on to say:

'In a statement sent to [News outlet] via his legal representative, [Business partner of Company A's director], issued a new promise to repay some of the missing funds and urged [Company A] owner [Director of Company A], to do the same.

"I, [Business partner of Company A's director], was involved in helping [Director of Company A] set up and operate [Company A], I would like to clarify that [Director of Company A] is the sole owner of [Company A] and has full control over the business.

After thoroughly reviewing the situation, I have committed to covering 50% of the outstanding debt to customers by the end of June 2025, I am working alongside lawyers and accountants to ensure this is handled properly.

It would be hoped that, as the owner, [Director of Company A] would step forward to repay the remaining 50% owed to customers."

Based on the above, it appears that there was some form of dispute within Company A which has led to the disruption of its day-to-day operation.

Mr K has supplied correspondence from the airline with which his flights were booked. Within this correspondence, the airline confirm that Mr K's booking was cancelled due to *'fraudulent use of the payment card used to book'*.

Though it's concerning to see the airline reference that the flights were cancelled as a result of fraudulent use of a card, they also confirm, later in their correspondence, that the flights had been booked on his behalf. Without knowing further details about the dispute on the card, and why the payment was deemed to be fraudulent, it doesn't persuade me that Company A didn't have the intention of supplying Mr K with the flights he paid for at the time he made the payment. Instead, the fact that flights were purchased for Mr K suggests that Company A did, in fact, have the intention of supplying him with the goods and services paid for, albeit something later went awry.

Lastly, I've considered the ongoing investigation by the police. I understand that the police have gathered a lot of information regarding Company A's actions and are looking to bring charges against Company A. Naturally, our service hasn't been privy to the information obtained by the police during the course of their investigation. So, while the police may have their concerns about Company A and their actions, I can't say that an ongoing investigation persuades me that Mr K's payment meets the CRM Code's definition of an APP scam.

Overall

For the reasons I've explained, I'm not persuaded there is enough evidence which demonstrates, on the balance probabilities, that Company A set out to defraud Mr K at the time of his payment or that he is the victim of an APP scam as defined by the CRM Code. I appreciate this will be greatly disappointing to Mr K, given the impact this situation has had on him, but I'm unable to say that NatWest has acted incorrectly in declining his request for reimbursement.

Should any material new evidence come to light at a later date that would suggest that Mr K was the victim of a scam, such as from the ongoing police investigation, then I would suggest he contacts NatWest to make them aware of this new evidence.

My final decision

My final decision is that 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 K to accept or reject my decision before 26 February 2026.

Billy Wyatt
Ombudsman