

The complaint

Mr M has complained that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't refund the money he lost in what he's described as a scam.

What happened

Both sides are most familiar with the case, and we must anonymise decisions, so I'll summarise what happened relatively briefly.

In spring 2024, Mr M joined a group chat for traders. In summer 2024, having monitored the chat, he took up an opportunity to pool his money with other traders and have a manager trade in forex on their behalf. This pool manager said they would have small daily targets, and would take measures to reduce the risk of losses.

Over the course of about two months, Mr M funded his investment by making several card payments from his NatWest account to his account at a regulated forex trading platform. Mr M then sent the funds on to the pool via the platform. The payments totalled over £7,000.

At first, the manager's trading went well. But then a series of rapid losses reduced Mr M's investment to only about £300. Mr M says the manager didn't take the risk mitigation strategies they said they would, then cut contact.

In 2025, Mr M reported the matter to NatWest. NatWest didn't think they were liable for Mr M's losses, but did accept they gave poor customer service when handling his claim. They apologised for that, gave internal feedback, and paid Mr M £100 compensation.

Our Investigator looked into things independently and didn't uphold the complaint. Mr M asked for a final decision, so the complaint's been passed to me to decide.

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.

First, I understand that Mr M lost a good deal of money to this investment, for which he has my sympathy. I appreciate this cannot have been an easy matter to face, not least if the pool manager misrepresented the risks involved or avoided speaking to clients about the losses, and I appreciate why Mr M would want to try to recover his funds. I understand that the pool manager caused Mr M a great deal of stress, and I understand he was going through a very tough time more generally, too. I'm grateful to Mr M for being open and candid with us about what he's been dealing with and how he's felt.

I must keep in mind that this case is against NatWest, rather than the pool manager. The manager would be the party responsible for the way they managed Mr M's pool, rather than NatWest, and it'd be the manager who'd really owe Mr M his money back if they misused the funds. Here, I'm just considering what NatWest are responsible for.

NatWest do have some responsibilities when it comes to scams. When we talk about "scams" in this context, we don't mean it in the loose general sense. For example, people might commonly say they were scammed if goods or services didn't live up to the marketing or weren't provided to the standard promised. But the scams that NatWest might be liable for involve customers being defrauded. And there is a high legal threshold or burden of proof to conclude that someone was intentionally trying to commit fraud; as opposed to – for example – running a high-risk scheme or managing a scheme poorly. For example, an investment scam might involve a scammer cloning the website of a real investment firm, so people send the scammer money thinking they're sending it to the real firm. Or a scammer might take clients' funds on the promise they'll invest it or trade it on their behalf, but then conduct no actual investment or trade and instead just take the money away.

From what Mr M's said and provided, that's not the sort of situation that happened here. It sounds like the pool manager may have mis-advertised their service or not provided it to the standard promised – for example, Mr M says they didn't mitigate risk in the way they said they would. But it doesn't look like they did anything like impersonate someone else or steal the money. Instead, as far as I can see, the data shows that they really did invest Mr M's money for him and trade on his behalf, they even met his expectations at first, and the remaining balance was returned to him. Unfortunately, it seems that the trades went badly in the end, and so Mr M's funds were greatly reduced. And while I completely understand how galling that would be, especially if the manager had promised better risk control and then avoided contact when their trades failed, that doesn't seem to quite fit the definition of a scam that NatWest could be held liable for. NatWest were not acting as Mr M's investment advisors here, and were not generally responsible for his investments or for the manager's trading. And while I do understand Mr M's concerns about the manager and appreciate it may be difficult to gather evidence now, I don't have much evidence about this pool, and not enough to substantiate whether the manager set out to defraud people or not.

I'm not saying I've concluded that Mr M made a false claim, or anything like that. I do see that he really lost a lot of money, that he really has concerns about the manager, and that he genuinely believes it was a scam. But I could only reasonably hold NatWest liable for an alleged scam loss if I had sufficient evidence that the money was actually lost to a scam – and not, for example, to a real trading pool which was marketed or managed badly. And I don't seem to have sufficient evidence of that here. Which would mean I couldn't potentially hold NatWest liable for the loss in the first place. With that said, even if I were to conclude that it was a scam which caused Mr M's loss, I'm afraid I still couldn't reasonably hold NatWest responsible for that loss. I'll explain why.

NatWest are not necessarily responsible for every scam which happens to a customer – as noted before, it'd be the scammer who'd be primarily responsible for their own scam. And it's not possible for the bank to prevent every single scam. The question, then, is whether NatWest would be responsible for a scam in *this* particular case.

It's not in dispute that Mr M authorised the payments involved. So although he didn't intend for the money to end up with what he now thinks was a scammer, under the Payment Services Regulations he is responsible for his own payments and a resulting loss in the first instance. And broadly speaking, NatWest had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

NatWest should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. NatWest were not required or expected to intervene on every single payment that was different to normal day-to-day spend, nor would that be reasonably possible – customers will occasionally make larger purchases or investments or go on holiday and so on. I've thought carefully about whether NatWest should have done more in Mr M's particular case.

While I acknowledge that this was a substantial amount to lose in total – again, Mr M has my sympathy there – these payments were spread out over about two months. This was not, for example, a rapid series of payments, and they did not follow a particularly suspect pattern. The initial payments were of relatively modest size, and Mr M had sent similar or larger amounts in the preceding period. While the final payment was larger than usual, by that point Mr M's trading account had become an established payee, and he'd previously confirmed twice that this was genuine spending of his when NatWest had double-checked he was happy he'd authorised the initial payments. The payments were made from a sufficient balance to an account in Mr M's own name at a genuine regulated platform, and I can't see that there were any other factors NatWest should've been aware of at the time which should've caused them to intervene. Overall, I don't think the payments involved were quite so unusual or out of character that NatWest needed to intervene on scam grounds.

I've then considered whether NatWest could've done more to recover the loss after Mr M told them he thought he'd been scammed. Unfortunately, it wasn't possible for NatWest to recover funds which Mr M had already sent on from his trading account, not least where they had been used to trade. NatWest didn't have the power to otherwise forcibly take the money from the pool manager. As these were card payments to Mr M's own account, they were not covered by the CRM Code for scams. And there was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against Mr M's own trading platform rather than the pool manager. And the trading platform provided the service they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary, so NatWest didn't need to try one in this case. And I'm afraid there was nothing more that NatWest could've reasonably done to get the money back here.

Mr M questioned why NatWest had a department dealing with scams if they couldn't help him here. But while I can understand his line of thinking, as I mentioned before, NatWest are not necessarily responsible for all scams. Nor is it reasonably possible for NatWest to query every single large or slightly unusual payment which every customer might ever make. But there are cases where an account's activity is so unusual that the bank is able to step in and stop a scam, cases where it's possible for the bank to recover scam losses, cases where the bank must take responsibility for a scam loss, and so on – all of which make use of such a department. I'm just afraid this isn't one of those cases. And I appreciate that must be really disappointing for Mr M to hear. But just because his particular case was one of the ones where the bank wasn't liable, it doesn't follow that that whole department is pointless. I'm not able to comment on Mr M's wider unhappiness with the way the industry works, as we're not the regulator – that's the Financial Conduct Authority (FCA). So we don't set industry processes – I'm just here to decide this individual dispute between Mr M and NatWest. I can clarify that NatWest are not the police, so they don't have the authority to catch the alleged scammer or hold them accountable as Mr M suggested.

Mr M also felt that if we weren't holding NatWest liable, then we were blaming him for the loss. However, I can assure him that's not the case. This case is not about blame, but about what NatWest are liable for under the relevant rules. I can't see that we've blamed Mr M at any point, and I'll reiterate that it'd be the scammer who'd be primarily responsible for their own scam. Scams are usually designed to be cruelly convincing. Here, I've not even been able to conclude that the matter definitely was a scam, so if it was one then that would tend to indicate it was good at appearing genuine. I hope Mr M isn't too hard on himself about it.

So while I'm very sorry to hear about Mr M's losses, I don't think NatWest can fairly be held responsible for them. And so I can't fairly tell NatWest to reimburse Mr M in this case.

Finally, while it's the pool manager who's primarily responsible for what they did, for the resulting loss, and for the stress that caused, I do see that NatWest added onto that stress. For example, both parties accept that NatWest sent Mr M between departments, caused him long waits, and didn't call back when they said they would. When a business gets things wrong like that, we often tell them to pay compensation, to acknowledge their errors and the impact that had. The compensation is not there to fob customers off, as Mr M suggested. As mentioned, we're not the regulator, so the amounts of compensation are not designed as a punishment or fine, but are based on the impact the business' mistakes had. Here, I can see that NatWest's poor customer service really added some acute stress and inconvenience for Mr M – more than the level one might reasonably expect from day-to-day life. I see that NatWest have apologised, given internal feedback, and paid Mr M £100 compensation. Taking into account the impact their poor customer service had, alongside our guidelines for compensation, I find that to be a fair resolution for those customer service issues.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 November 2025.

Adam Charles

Ombudsman