

The complaint

Mrs W, who is represented, complains that National Westminster Bank Plc ('NatWest') won't reimburse funds she lost from fraud.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In August 2021, Mrs W was introduced to an investment opportunity through a friend who had participated in, and recommended the scheme. The investment involved the trading of crypto assets and foreign currency.

Happy to proceed with the investment, Mrs W made several payments from her NatWest account to accounts she held with crypto asset platforms. She then forwarded these on to the investment scheme provider, who I will refer to as Business C.

Mrs W was later informed by a family member that they were unable to withdraw their funds from the investment scheme. Mrs W then tried to withdraw from her own account and was also unsuccessful. It was at this stage Mrs W believed she'd been the victim of an investment fraud and reported the matter to NatWest.

NatWest considered Mrs W's claim but concluded it wasn't liable to reimburse her. In summary, it found that the payments did not fall within the scope of the CRM Code as they were made to Mrs W's own accounts. It also found that the payments didn't present sufficient risk indicators that warranted an intervention.

Mrs W, unhappy with that response, referred her complaint to our service for an independent review. An Investigator considered the evidence and testimony provided by both parties but didn't recommend the complaint be upheld. While they found NatWest ought to have intervened in some of the payments made, they didn't find any intervention would have prevented Mrs W from being defrauded.

Mrs W's representative disagreed with that assessment. It argued that an intervention would have prevented Mrs W from continuing with payments. As Mrs W—via her representative—disagreed, the matter has 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.

Considerations

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 have been good industry practice at the time.

There is no dispute here that Mrs W authorised the transactions in question. And the starting position in law is that she will be held liable for transactions she authorised in the first instance. That is due to NatWest's primary obligation to process payments in line with its customer's instructions, as set out in the Payment Services Regulations 2017.

However, taking into account the considerations above, NatWest ought reasonably to have been on the lookout for any transactions that would indicate Mrs W was at risk of financial harm. And where it identifies a risk, it ought reasonably to intervene and provide warnings.

Should NatWest have intervened in the payments made?

The first payment made toward the fraud was a £50 payment made to a crypto asset platform on 11 August 2021. This payment was low in value and not out of character for Mrs W's account, so I don't find NatWest ought to have intervened at this stage.

However, the next payment made was for £4,850 on the same day as the first payment. This did represent a significant shift in the way Mrs W's account operated. It was far higher than any payment she had made from the account in the preceding six-months and was to a new payee. These significant risk indicators ought to have alerted NatWest that Mrs W was at risk and therefore, it ought to have contacted her to ensure she was making the payment for legitimate purposes and not at risk of financial harm.

Would an intervention by NatWest likely have been able to prevent the fraud?

Due to the passage of time, much of the evidence relating to the events that took place are no longer available. Mrs W's recollection has also been unable to fill those gaps in evidence. So, I have little information on which I can base my assessment as to what would have been available to NatWest were it to have probed Mrs W about the investment.

I cannot, for instance, know if Mrs W was presented with a too-good-to-be-true return on her investment. I cannot review the contracts or marketing material she was provided to determine if there ought to have been red flags to both Mrs W and NatWest. And I'm unable to review the accounts to which Mrs W paid to determine where her funds went or what profits she says she saw at the time that persuaded her to make further payments.

What we do know is that Mrs W was introduced to the investment by a trusted friend she had known for several years. And that friend had significant knowledge and experience regarding investments; so much so that several of Mrs W's close family members were persuaded to invest too. Had this been disclosed to NatWest during an intervention, I don't think this would have caused it concern: as it isn't typical for investment frauds to be introduced in such ways.

Mrs W was also paying a legitimate crypto asset platform and would have disclosed that she was paying an account in her own name. So NatWest would have been satisfied that Mrs W was to receive the money in an account of hers, held with another business, and was not paying the money to an unknown or suspect third-party.

There was also little in terms of information at the time that would have indicated via open-resource research that Business C was operating a fraudulent investment scheme. According to Mrs W, Business C had a professional looking website and it had been given a positive review by a trusted person with knowledge in investments.

Mrs W's representative has pointed toward an FCA warning that was published about Business C in December 2019: almost two years prior to the payment being made. But this warning was regarding the business providing or promoting financial services without the

FCA's permission. This was not clear evidence the business was operating a fraudulent investment scheme, and the business had not approached Mrs W directly to advertise its services, this had come on a recommendation from a friend.

Further, I don't find it reasonable to expect that NatWest go as far as carrying out its own in-depth research on the business to which Mrs W was investing with. It goes beyond what is reasonably expected and risks straying into investment advice, which is not its role. It's fair and reasonable to say that it should go as far as attempting to ensure that the payment is for a legitimate purpose and provide warnings as far as the risk that it's presented with. Here, the circumstances were not suspicious when considering how the investment was introduced to Mrs W. And had NatWest provided warnings about the typical way in which investment frauds are committed, it likely would not have resonated with Mrs W; there were no common features of investment frauds that I can see here.

Overall, I find it unlikely that any intervention carried out by NatWest would have prevented Mrs W from continuing with the payments or, would have uncovered that she was likely a victim of an investment fraud. I know it will come as a disappointment to Mrs W, and I am truly sorry for the detriment this has caused her. But it is unreasonable to hold NatWest liable for her losses in circumstances where it would have been unable to prevent that loss.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 5 November 2025.

Stephen Westlake
Ombudsman