

The complaint

Miss W complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") won't refund payment she made as part of 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, I understand it to be as follows.

In February 2023, Miss W contracted the services of a company to publish her book, paying £1,487 for their services. This company will be further referred to as "Company A".

Over a year and a half after entering the agreement, Company A informed Miss W that they would not be publishing her book and would not refund her payment.

Miss W contacted NatWest to request reimbursement of her payment to Company A. NatWest declined to reimburse her on the basis that Company A were a legitimate business and that this was civil dispute. Unhappy with this response, Miss W referred her complaint to our service.

An investigator looked into Miss W's complaint but did not find in her favour on the basis that this was a civil dispute between Miss W and Company A, and that NatWest were not liable to refund her loss.

Miss W disagreed with the investigator's findings on the basis that Company A had set out to defraud her. She also felt that NatWest ought to have advised her to use an alternative payment method to pay Company A, which would've given her greater protection than making the payment via mobile banking should issues with the company arise at a later date.

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.

Miss W 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 Miss W's complaint. This is not meant to be a courtesy to Miss W and I want to assure her I have considered everything she 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 transactions.

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 Miss W.

Has Miss W fallen victim to a scam?

NatWest are a signatory of the CRM Code which requires firms to reimburse customers who have been the victims of 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 Miss W 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 Miss W made the payment for the publishing of her book. So, I've gone on to consider what purpose Company A had in mind and whether that was in line with the purpose Company A made the payment.

As explained above, in order for Miss W's payment to be considered an APP scam under the CRM Code I'd need to be satisfied that the purpose Company A received her payment was significantly different to that of Miss W at the time of the payment.

Companies House information shows that Company A was incorporated in 2013 and has been operational since then. I'm also aware that Company A had published a number of books since then, many of which were available to purchase from numerous retailers. This

suggests that Company A were, at least at some stage, operating legitimately and carrying out the services it claimed to.

Miss W explained to NatWest that Company A told her they'd already spent her funds on publishing activities and declined to refund her on that basis. Though I've not seen evidence of what activities had been carried out, I've also not seen evidence that they've not carried out the activities, as they've claimed.

I've reviewed Company A's bank statements as part of my investigation. I'm limited as to what information I can share with Miss M under data protection laws, but the information I've reviewed but these statements show funds being received from an online retailer, with some of these funds being paid on to authors who'd had their books published by Company A. There are also other payments which appear to be in line with the genuine operation of a legitimate publisher.

On the other hand, there does appear to be many transactions which don't relate to operation of Company A. The statements appear to also show that Company A had received a substantial number of contractual payments from authors, with the number of books published being far lower than the number of contracts seemingly entered.

It could be the case that Company A were obtaining funds maliciously and had no intention of publishing Miss W's book, but it could equally be that they were unable to fulfil their contractual obligations for a variety of legitimate reasons. Though it's concerning that Company A have failed to publish books on behalf of many people, I don't think the failure to publish those books, in and of itself, definitively demonstrates that Company A had no intention of carrying out the agreed work.

So, while the information I've reviewed as part of this complaint doesn't show why Company A were unable to fulfil their contractual obligations, I'm not persuaded that the evidence demonstrates they didn't have the intention to carry out the services Miss W had paid for.

Miss W has referenced NatWest providing refunds to other consumers who've raised similar claims to hers against Company A. I understand why this is frustrating for Miss W, but I'm unable to comment on the outcome of other people's complaints. Furthermore, as stated above, as I don't believe Miss W has demonstrated that she's been the victim of a scam I don't think it would be fair to hold NatWest liable to reimburse her on the basis that they've reimburse other customers.

Ultimately, I'm not persuaded, based on the evidence available, Miss W has demonstrated that Company A took her funds without having the intention of publishing her book. Following this, I'm not persuaded that her payment is covered by the CRM Code or that NatWest were incorrect in declining her request for reimbursement under the Code.

Should NatWest have prevented Miss W's loss at the time of the payments

As referenced earlier in my decision, NatWest 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.

As I don't believe Miss W has demonstrated that she was the victim of an APP scam, I'm satisfied that NatWest haven't failed any of their obligations by not intervening and providing a warning regarding the payment prior to it debiting Miss W's account.

For completeness, even if this were a scam, I'm not persuaded NatWest ought to have prevented Miss W's loss if they had discussed the purpose of the payment with her at the time it was being made.

I say this as I don't think any of the information Miss W had available would've suggested that she was at risk of financial harm and I've not seen any evidence to show that Company A didn't appear to be legitimate at the time of the payment.

Based on this, I don't think that NatWest could've, or should've, identified that Miss W was at the risk of financial harm at the time of the payments and prevented her loss at this time.

Other considerations

I understand that Miss W is unhappy that NatWest failed to advise her that other payment methods would've given her greater rights to recover her funds if Company A failed to adhere to their agreement.

Though paying by credit or debit card does give consumers particular rights to recover their funds in certain circumstances, I don't think that NatWest were incorrect in failing to advise Miss W of this at the time of the payment. I say this as, though it may be helpful in some situations, banks aren't obliged to give this information to its customers prior to payments and this information is freely available to consumers. Because of this, I can't hold NatWest liable for Miss W's loss as I don't believe they've acted incorrectly in respect of this.

Overall

Overall, I'm not persuaded that Miss W has fallen victim to an APP scam, based on the evidence available. I've no doubt that this will be extremely disappointing to Miss W, given the impact this situation has had on her, but I'm unable to say that NatWest are liable to reimburse her loss.

Should any material new evidence come to light at a later date, for example from the police or the administrators, Miss W can ask NatWest to reconsider her claim. But, as it stands, I can't fairly say NatWest should reimburse her loss under the CRM Code or that they failed in their duty of care by not advising of the protections offered by different payment methods at the time of the payment.

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 Miss W to accept or reject my decision before 22 December 2025.

Billy Wyatt
Ombudsman