

The complaint

Mr J complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") won't refund money he lost to an investment scam.

Mr J is represented by a claims management company in this complaint. For ease of reading, I'll only refer to Mr J throughout my decision.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. In brief summary, Mr J says he invested around £19,000 with an investment company "F", which he paid using his NatWest debit card, but says he has since discovered was a scam. He was able to withdraw £300 in between the payments and made a claim to NatWest for the remaining loss. He said it ought to have prevented him from falling victim to the scam. The payments were made between November 2023 and April 2024, and went to F's parent company, "N".

NatWest refused to refund the amount and said Mr J made the payments to an account in his name, so the bank wasn't the point of loss. He'd need to raise his concerns with F. In its file submission to our service, NatWest said that although it couldn't confirm if it intervened at the time of the payments, it's unlikely it would have been concerned given the payments went to a firm authorised by the UK's Financial Conduct Authority ("FCA").

Our investigator didn't uphold the complaint. They accepted that Mr J made the payments as result of fraud. But reviewing the previous account activity, they didn't think the disputed payments warranted an intervention. The investigator went on to say that even if an intervention should have taken place, they weren't persuaded that it would have stopped Mr J from going ahead given his understanding of the F entity he thought he was dealing with. The investigator explained that the emails Mr J exchanged with F suggested he could have been dealing with the entity that was registered overseas, but he told our service and NatWest that he researched the UK registered company.

Mr J disagreed that an intervention wouldn't have been effective and asked for the complaint to be decided by an ombudsman. While preparing the case for an ombudsman's review, the investigator wrote to both parties and said they weren't persuaded that F was operating fraudulently. Mr J disagreed that this wasn't a scam and said there was a celebrity endorsement which no legitimate site would use. He also said the advisers used a popular instant messaging app which no legitimate site would do. And there were multiple warnings from regulators across the world, demonstrating that F repeatedly operated outside of regulatory norms.

As the matter couldn't be resolved informally, Mr J's complaint has come 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.

I would like to reassure the parties that although I've only set out the key points, I've read and considered what's been provided in its entirety. Having done so, I've decided I'm not upholding this complaint for the following reasons:

- The relevant regulations and industry guidance makes it clear that banks should be on the lookout for and protect consumers from the risk of financial harm, including fraud and scams. But the obligation to warn customers of the risk of such financial harm will only reasonably have been engaged if there were sufficient grounds for suspecting the payee was a fraudster; meaning that NatWest could have declined or delayed the payments while concerns about the payee were discussed with Mr J.
- So, I would need to be satisfied that F was operating a scam when these payments were made in order to expect NatWest to have done anything further here. When determining this, I've borne in mind that certain high-risk investment traders (such as contracts for difference or CFD merchants) may use sales methods, or communication styles that can be seen to be unfair. Especially, when considering the financial losses incurred because of a disappointing return on an investment that's been promoted. Even so, not all complaints to us involving CFD merchants are in fact a scam. While the ways and means of these businesses can be viewed as unreasonable or even unethical – that doesn't necessarily mean they amount to the high legal threshold or burden of proof for fraud.
- Mr J has told us he did some research on F on the internet before deciding to invest. He says during his research he found that its parent company N was registered in the UK. Looking at the website address and the email domain used by F to correspond with Mr J, it seems that his dealings weren't with the UK arm of N (and therefore the UK arm of F). I've looked at the website Mr J says he used, and the specific arm of F it relates to is registered in another jurisdiction. While it's true that this arm of F isn't authorised by the FCA, that doesn't automatically mean that it's an illegitimate company, or that it was set up with the express intention of defrauding its customers. Regulatory standards vary in different jurisdictions, and some may fall below what might be considered acceptable in the UK. But this doesn't necessarily mean that a company that is subject to regulatory requirements in another jurisdiction and isn't regulated in the UK is operating a scam.
- I acknowledge that there were some warnings by foreign regulators about the overseas arm prior to Mr J's payments. While this is a strong indication that it had been wrongly operating in those jurisdictions (and so there's lesser protection if something were to go wrong), the warnings don't sufficiently prove that F was set up to dishonestly defraud customers. I think it's also worth mentioning that although Mr J says he used F's overseas website, I've not seen any evidence that his account was held with, or that his payments went to, the entity based overseas. I understand the point Mr J is trying to make about the use of celebrity endorsement to promote F. While I accept that such tactics would be concerning and appear consistent with some fraudulent companies, I've not seen, and we've not been provided a copy of, F's advertisement involving the celebrity endorsement. As such, I'm unable to get a better sense of what it is that Mr J saw.

- Overall, I'm not persuaded that F can be said to have been fraudulent or operating a scam at the time in question. I appreciate there may be some negative reviews about it on review websites. But both its UK and overseas websites explain that F's investment products carry significant risk, so it seems inevitable that some people will be dissatisfied with F if they end up losing their money through a risky investment. There was the inevitable risk of Mr J's investments returning a loss based on market performance. But NatWest isn't required to protect its customers from the risk of financial loss due to investment advice or bad bargains. As I'm not persuaded that F was operating a scam at the time of Mr J's payments, NatWest's responsibility to intervene wasn't triggered.
- Even if I were to make a finding that F was likely operating a scam, having reviewed the previous account activity, and given the individual amounts involved as well as the gap between the payments, I'm not persuaded NatWest ought to have found them suspicious such that it ought to have made enquiries of Mr J before processing them. Therefore, I don't consider NatWest acted unfairly if it failed to intervene on these payments.
- As these were card payments, the avenue to attempt recovery would have been limited to the voluntary chargeback scheme which is run by the card scheme operators. Aside from time limits applying to when a chargeback can be raised, the merchant category code assigned to these transactions is for investments. As there's no suggestion that Mr J's funds weren't deposited correctly into his investment account, I consider it unlikely that a chargeback would have been successful. And as Mr J says he was scammed, it's unlikely a chargeback claim would've succeeded in any event, as chargeback isn't designed for these kinds of situations.

In summary, I appreciate that Mr J is now in a position where he's lost out financially. But, for the reasons given, I don't consider his loss is the result of any failings by NatWest.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 16 October 2025.

Gagandeep Singh
Ombudsman