

## The complaint

Mr A is unhappy that National Westminster Bank Public Limited Company ('NatWest') won't refund him after he reported being the victim of a scam.

## What happened

Both sides are aware of what happened so I will provide a summary.

Mr A told us he wanted to refit his kitchen with a complete makeover. He ended up engaging a builder (who I shall call 'Mr D') to do the work. Mr D had completed a job for Mr A the year before and had previously been recommended by a friend. This new job was supposed to entail:

- Cabinet/unit replacements plus a cooker hob
- A boxed in boiler
- Tile fitting
- Window replacement

In August 2024, Mr D asked Mr A for money in order to buy materials for the work. He said he wouldn't be able to start the job without a deposit, so Mr A agreed. Mr D asked if Mr A could make the payment to a third party's account.

On 20 August 2024 Mr A made a faster payment of £750 to the third party's account. The work started on 10 September 2024. Mr D dismantled parts of the kitchen in order to fit new items but Mr A noticed he started attending less and less. Mr A notes that from October 2024 onwards, Mr D would work one hour a day and then disappear. Mr A said Mr D made a number of excuses about what he was doing, such as saying he had gone to the suppliers to get the materials but the materials were damaged so they were being replaced.

In October 2024, Mr D asked for the balance of the job and Mr A paid him £1,790 in cash on 26 October 2024, which wasn't the full balance.

Mr A then went on holiday and on his return, he asked Mr D to resume the works. Mr D said he had been diagnosed with a serious illness and was not fit to work. After Mr A messaged Mr D a number of times, he said that he wouldn't be able to complete the work and he would return the materials purchased and the money for the job.

Mr A said he received neither. He found others online who also hadn't had work finished by Mr D. Mr A made a complaint to NatWest as he believed he had been the victim of a scam. Mr A only complained about the £750 payment as he believed there was a better chance of reclaiming this loss rather than the cash payment.

NatWest declined to reimburse Mr A as they believed the matter was a civil dispute and so it wouldn't be covered by the relevant scam rules. Mr A disagreed with this and referred the matter to the Financial Ombudsman Service.

Our Investigator considered everything and also reached the conclusion that the matter was a civil dispute. Mr A disagreed and requested a final decision. Now the matter has come 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

Having done so, I agree with the outcome reached by our Investigator, for the same reasons. I know this will be disappointing for Mr A as he understandably feels strongly on the matter and is still living with the impact of what happened, so I will explain how I reached my decision below.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. However, that isn't the end of the story.

At the time of the payment, NatWest was a signatory to the Lending Standards Board's Contingent Reimbursement Model Code ('the CRM Code'). The CRM Code did provide reimbursement to some victims of Authorised Push Payment ('APP') scams, but it did not always apply.

The CRM Code specifically says it doesn't apply to "*(b) 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;*"

NatWest said it considers what happened between Mr A and Mr D to be a civil dispute, so it isn't covered under the CRM Code and it doesn't have to reimburse him for this reason. My role is to consider if I think this is reasonable.

*Is what happened a scam or a civil dispute?*

The relevant section of the CRM Code defines an APP scam as:

*The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

So for me to find that Mr A had been the victim of a scam, rather than a civil dispute, I would need to be satisfied that:

- (a) There was a misalignment between Mr A's purpose for making the payment and Mr D's purpose for procuring the payment; and
- (b) The difference between the two purposes must be due to dishonest deception on the part of Mr D

One of the key considerations here is thinking about what were Mr D's intentions from the start of the process – did he intend to dishonestly deceive Mr A? Did he never intend on finishing the work?

I appreciate there are challenges in establishing what another person's intentions were and that I cannot know for sure. So I must consider all the available evidence and weigh this up in order to decide on balance what I think Mr D's intentions are likely to have been.

I also want to make it clear that the threshold for me saying fraud has occurred is a high one, (though not as high as in criminal proceedings). My role is to decide if I think fraud is more likely than not to have happened. It isn't enough for fraud to be one of a number of plausible theories for what happened, it has to have been more likely than not to have occurred.

Having looked at everything submitted, I can't say fraud is more likely than not to have occurred here:

- Mr D appears to have successfully done work for Mr A previously, and he was recommended by a friend, so I don't think it's unreasonable to infer that someone who was once legitimate still remains so.
- Mr D did some of the work agreed with Mr A in dismantling the kitchen. This action could suggest that Mr D did intend to do the job, as he did start it rather than just taking the payment and not attending the property at all.
- The information from the receiving bank did show that there was purchasing activity on the account consistent with how a builder would operate. Mr A's funds appear to be partly spent in shops where building materials could be purchased. This indicates to me that Mr D did most likely intend to do the work as agreed as he was spending some of the money on the job rather than purposes clearly not for the job.
- Mr A has provided evidence that there are a number of customers who are unhappy with Mr D. Whilst I agree the existence of other unhappy people could indicate Mr D is a scammer who takes money for jobs and doesn't finish them, it's hard for me to draw a strong inference from this based on the level of information I have; I don't know the specifics of each client's experience with Mr D, I also don't know how many people were unhappy with Mr D and what proportion of his clientele they represented overall. I can't say the existence of unhappy clients in itself means Mr D is a scammer.
- Whilst I don't have all the information about each unhappy client, I'm conscious that there has been a collective effort to report these issues to the police. To my knowledge, no further action has been taken yet by the police and Mr A has previously provided evidence that the police consider his experience to be a civil matter. It's more difficult for me to say that there is enough evidence to suggest criminal intent here when the police themselves haven't said so and haven't chosen to investigate the allegation. Similarly, I'm not aware of any investigation by Trading Standards that could suggest Mr D had criminal intent.
- I'm also conscious that there are other, equally plausible reasons why Mr D has some unhappy customers. It's possible that Mr D could have intended to complete those jobs but lacked the skill to manage and complete the number of jobs he takes on and then looks to hide from the consequences of this. Another possibility is that Mr D actually was unwell with a serious illness and had to stop working, this could explain why he stopped completing jobs and couldn't pay customers back. The fact that other plausible reasons exist for what happened makes it more difficult for me to decide on balance that a scam occurred.
- The messages from another customer of Mr D show that he had paid bailiffs when they had tried civil recovery. This suggests that Mr D might be reasonably compliant if he was pursued for breach of contract. Fraudsters typically look to conceal their identities and locations to shield themselves from any recovery attempts, so the fact that Mr D was found by bailiffs and paid them makes it less likely to me that he is a scammer.

- But the messages also show that Mr D did give different clients different excuses as to why he couldn't complete their jobs. So I can see why Mr A thinks there is compelling evidence to show a scam has taken place when Mr D has been dishonest when being chased for refunds. However, I have had to consider if Mr D was dishonest in terms of the way the contract for the job was agreed, and I don't have enough evidence for this.

Based on the factors above, I don't have enough evidence to say Mr D intended to scam Mr A, so I cannot say this is an APP scam and that NatWest need to consider reimbursing him under the CRM Code. I appreciate that my conclusion is not what Mr A wanted to hear, and I'm sorry to hear how the unfinished kitchen has had a major impact on him personally and his whole family's day to day living. I want to emphasise that my conclusion doesn't mean that I agree with the alleged actions of Mr D or that there hasn't been a breach of contract here.

Nor am I ruling out the possibility that this was an APP scam. It may be the case that later on down the line, more evidence comes to light that meets the evidential standard for this to be considered a scam, but at this point in time, this isn't the case. So, based on the reasons given above, I think it was fair and reasonable for NatWest to decline Mr A's claim for reimbursement.

### **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 A to accept or reject my decision before 20 February 2026.

Paula Lipkowska  
**Ombudsman**