

The complaint

Ms B complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') hasn't refunded the money she believes she lost to an authorised push payment ('APP') scam.

What happened

The circumstances of the complaint are well-known to both parties. So, I don't intend to repeat these in detail here. However, I'll provide a brief summary of what's happened.

In September 2022, Ms B entered into a contract with a company (which I'll refer to as 'Company L'). She made a £900 faster payment to Company L, towards the costs involved in editing, publishing and marketing a book she'd written. Company L told Ms B that her book would be published within 12 months.

Ms B had found Company L after completing an online search. She visited Company L's website and also noted it had a social media presence and multiple positive reviews. The director of Company L appeared knowledgeable about the publishing and marketing processes and appeared enthusiastic about publishing Ms B's book.

Prior to making the payment, Ms B says she asked NatWest to confirm Company L was a genuine company and was told it was. She says prior to signing the contract with Company L, she asked the Society of Authors to vet the contract and no issues were identified. All this information satisfied Ms B that Company L was a legitimate company, which is why she signed the contract and went ahead with the payment.

In June 2023, Ms B became concerned with the lack of communication from Company L and so she requested an update on the progress of the editing process of her book. The response she received said Company L was aiming to publish her book in September 2023.

In September 2023, Company L sent a "cover design form" to Ms B, which she completed and returned. However, later that month, Ms B became aware of a large number of other customers of Company L who were complaining that their books hadn't been published.

In November 2023, Ms B asked Company L to cancel her contract and refund her money. Company L didn't refund her and, believing she'd been the victim of an APP scam, she notified NatWest and asked for a refund.

NatWest didn't refund Ms B as it didn't think it was responsible for her loss. NatWest said it considered the situation to be a civil dispute between Ms B and Company L, meaning it didn't need to reimburse her.

Ms B wasn't happy with NatWest's response, so she made a complaint. She explained that other customers of Company L had received refunds from their own banks and so NatWest should've done the same in her case. NatWest didn't uphold the complaint or agree to refund Ms B, so she referred her complaint to this service.

Our Investigator considered the complaint but didn't uphold it. In summary, they said they weren't persuaded there was sufficient evidence to show Company L was a scam when Ms B made her payment to it. As a result, they didn't recommend that NatWest needed to refund her loss.

Ms B didn't accept our Investigator's opinion. She didn't believe Company L had any intention of publishing her book when she made her payment to it. As an agreement couldn't be reached, the complaint 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.

Ms B has made some detailed submissions in support of her complaint. I've read and considered everything she's sent in, but I don't intend to respond in similar detail. I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

NatWest hasn't reimbursed Ms B because it thinks her dispute with Company L is a civil dispute and not an APP scam, which means it can't be held responsible for the loss. For me to say that decision was wrong – and NatWest should've refunded Ms B – I'd first need to be satisfied that Ms B has been the victim of an APP scam.

I appreciate that individuals, in similar circumstances to Ms B, may have received a refund of their losses having complained separately to their own banks about payments made to Company L. But I can't comment on the outcome of other claims or complaints. I haven't been provided information about the reasons why those firms have agreed to reimburse their customers and it's possible those customers paid using a debit or credit card, which offer protections that aren't available to faster payments. So, I can only consider the circumstances of the complaint before me when deciding whether it was fair for NatWest to conclude that Ms B's situation with Company L was a civil dispute and not an APP scam.

At the time Ms B made the disputed payment, NatWest was signed up to the Lending Standards Board's Contingent Reimbursement Model ('CRM') Code. The CRM Code provided additional protection from APP scams.

However, the CRM Code didn't apply to every APP which ultimately resulted in a loss for the customer. For Ms B's claim to be considered under the principles of the CRM Code, I'd need to be persuaded that it applies in her circumstances.

The CRM Code can only apply where the victim's payment meets the CRM Code definition of an APP scam. The relevant definition for this case would be that Ms B transferred funds to another person (or company as is the case here) for what she believed was a legitimate purpose, but which was in fact fraudulent.

I've considered the evidence available, but I can't fairly conclude that Ms B has been the victim of an APP scam in line with this required definition. As a result, I'm not persuaded it was unfair or unreasonable for NatWest to conclude that Ms B's situation is a civil dispute between her and Company L. This means NatWest isn't required to reimburse Ms B. I know this outcome will come as a disappointment to Ms B, so I'll explain why.

According to Companies House, Company L was incorporated in July 2013. Between its date of incorporation and the date Ms B sent funds to it, Company L had successfully published a number of books which have been made available to purchase from a number of retailers. Company L published other books in 2022 (the year Ms B paid Company L) and more books in 2023 and 2024. This gives the impression that Company L has been operating legitimately and providing a service to other customers.

Prior to contacting Company L, Ms B says she carried out research. She found Company L's website, its page on a well-known social media site and saw it had positive online reviews. After Ms B initiated contact with Company L, the response she received was professional, giving no indication Company L wasn't engaged in publishing books. Ms B also asked the Society of Authors to review Company L's contract, which didn't flag any concerns about Company L or the terms of the contract.

I haven't seen a copy of Ms B's contract with Company L. I'm aware that Company L did offer different deals, depending on how much the customer paid towards the publishing cost, with a majority of customers paying half (approximately £1,250) in exchange for 50% of any revenue made following the publication of the book.

So, it seems Ms B wasn't pressured into which option she chose or pushed towards a more expensive option, which a scammer might be expected to do to maximise their financial gain. Company L also gave the option of paying in several ways, some of which would've offered protection against non-delivery of her book. I think this supports NatWest's opinion that Company L was operating a genuine business and not a scam.

I understand that there are clauses within Company L's contracts, which many customers believe are unfair. Company L also hasn't fulfilled its obligations under the contract to publish Ms B's book. So, I can certainly understand why Ms B considers Company L has scammed her. But a contractual dispute such as this could also be the result of a civil dispute between the parties, rather than evidence of fraud. For me to reasonably conclude that it was fraud, I'd need to see convincing evidence that Company L had no intention of publishing Ms B's book when the payment was made.

There are several explanations for why Ms B's book wasn't published. It's possible that Company L never intended to publish it and simply stole her money as Ms B alleges. But it's also possible that Company L had every intention of publishing the book and was unable to satisfy its contractual obligations for a legitimate reason, such as taking on more work than it could handle or having a severe cashflow problem due to financial difficulties as two possible examples. Company L has also argued that it was the victim of a substantial theft, orchestrated by a former employee, over a period of several months, which if true, would likely have had serious implications for Company L's ability to meet its contractual obligations with Ms B and its other customers.

I can't say for certain which possibility applies here. When I can't say for certain, I have to think about what's more likely than not, based on the balance of probabilities.

To help me reach a conclusion on whether Ms B has more likely than not been the victim of an APP scam, I've carefully considered the information that Company L's bank had provided.

Having reviewed Company L's statements, I can see transactional activity that's consistent with Company L having been a legitimate publisher. Company L was receiving funds from an online retailer and passing funds on to authors it had successfully published books for. There are also payments which appear to relate to Company L hosting book events.

However, there is also a substantial amount of personal expenditure that doesn't appear to relate to book publication or marketing, and funds have been withdrawn to third party accounts in the names of Company L's directors. Also, it's clear from the statements that Company L entered into a large number of contracts and received a high number of payments yet only published a small number of books. I accept that this evidence is concerning.

In her submissions to NatWest and this service, Ms B has referred to an online article about Company L, which supports Ms B's claims there is a large number of individuals who paid Company L without their books being published. Other individuals have claimed their books *were* published by Company L, but they haven't received any royalties from Company L as agreed in their contracts.

The article references multiple issues Company L's customers were reporting, such as delays in publication with no explanation, a lack of meaningful communication, refusing to allow customers to terminate their contracts and intimidating threats of legal action in response to complaints. So, it would appear that Company L's business practices weren't in line with what customers (like Ms B) were expecting when they entered into their contracts with Company L.

However, in 2022, when Ms B made her payment, it is noted in the article that Company L was able to publish 44 books, indicating that it was carrying out the services and activities of a book publication company. And I note that Company L strongly denied engaging in unlawful behaviour in a response to the article. This suggests Company L may have been a poorly run business, rather than a scam as Ms B believes.

Company L was also investigated by, and the focus of, a national television programme. This programme did highlight one customer wasn't happy with the length of time it took to receive an edited version of their book, and they weren't happy with the work that had been done by Company L.

The programme highlighted that Company L's contracts allowed it to keep customer's funds if they decided to terminate the agreement and Company L would be allowed to keep the rights to publish the books regardless. It didn't go as far as to say Company L had taken customers' funds with no intention of publishing their books and the allegations made within the programme focus more on unfair contractual terms, rather than suggesting Company L was a scam. The programme did suggest that Company L should refund customers where it hadn't fulfilled its contractual obligations, but it didn't allege that Company L had an intention to scam customers from the outset.

Whilst I appreciate the online article and television programme paint Company L in a bad light and allege questionable business practices, they don't conclusively demonstrate that Company L had no intention of publishing Ms B's book – or other individuals that paid it for this service.

I'm aware that Ms B engaged the services of a third party to investigate Company L and its directors. Ms B has provided evidence indicating that one of Company L's directors had attempted to conceal their true identity and that they may be the director of other businesses, with no link to Company L through Companies House. I'm also aware that the same director of Company L was previously convicted of other crimes and twice imprisoned, which could explain why they attempted to hide their identity from customers, rather than because they were trying to defraud them.

Based on all the information I've seen, it does suggest that Company L was operating with sharp business practices, such as potentially using fake online reviews; telling customers that another company would take over the publication process (a company that appears to share a director with Company L); using contract terms that made it very difficult to withdraw or complain about Company L; and that it was hostile in response to customers who did complain or write negative reviews about it online. However, I'm not persuaded this is sufficient to say Company L wasn't intending to publish Ms B's book, especially when it had published books for other authors prior to and after Ms B's payment was made.

I accept that I've seen no evidence to suggest that Company L has done any work in exchange for the payment Ms B made over three years ago. However, I've also seen no evidence to show that it hasn't, and this service doesn't have the power to require Company L to provide evidence. So, I can't say for certain either way if Company L has started the editing and publishing process for Ms B.

I'm very aware that Company L has been the subject of a criminal investigation and its former directors are due to stand trial in the future. However, the details of that investigation haven't been shared with this service.

So, whilst I appreciate Trading Standards believe there is a case to prove wrong doing on behalf of Company L, as the specifics of the allegations against Company L (and its former directors) haven't been shared, I'm not persuaded that's enough to demonstrate that Company L had no intention to publish Ms B's book at the time she made the payment.

I have natural sympathy for Ms B and the other customers of Company L whose books haven't been published. And I appreciate that the impact of this situation hasn't just affected her financially but has been detrimental to her health. However, I'm not persuaded there's sufficient evidence currently available to say Company L obtained Ms B's payment for a fraudulent purpose or that NatWest acted unreasonably in treating Ms B's claim as a civil dispute between her and Company L.

I recognise that the circumstances may change in the future and new material evidence may come to light, for example after the court case. Should that happen, Ms B may renew her complaint and ask NatWest to reconsider her claim for a refund.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 7 November 2025.

Liam Davies
Ombudsman