

The complaint

Mr S complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") won't refund payments he 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.

Mr S became aware of an investment opportunity in a property development company who were offering loan notes to investors to raise funds for its projects. This company is further referred to as "Company A".

Company A would sell and rent its assets to consumers as a way to generate income, which would pay back investors' principal sum and interest.

Mr S reviewed the information and documentation he received from Company A and, satisfied with what he'd seen, made two payments totalling £30,000 to Company A in July 2019.

Mr S raised a formal complaint with NatWest and requested a refund of his payments as he believed he'd been the victim of a scam.

NatWest investigated the matter but declined to reimburse Mr S on the basis that they followed the correct processes at the time of the payments. Dissatisfied with this response, Mr S referred his complaint to our service through a professional representative.

An investigator looked into Mr S's complaint but didn't uphold it. The investigator said they weren't persuaded that Company A was operating fraudulently or that Mr S had fallen victim to a scam. The investigator also explained that they didn't think there was sufficient evidence to demonstrate that NatWest could've, or should've, identified that Mr S was at risk of falling victim to a scam at the time of the payments.

Mr S disagreed with the investigator's findings and 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.

Mr S 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 Mr S's complaint. This is not meant to be a discourtesy to Mr S and I want to assure him I have considered everything he's 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 payments were 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 payments.

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 Mr S.

Has Mr S fallen victim to a scam?

NatWest are a signatory of the Contingent Reimbursement Model (CRM) Code which requires firms to reimburse customers who have been the victims of authorised push payment (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 Mr S made, and Company A received, the payments. 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 Mr S made the payments in order for his funds to be used towards a property investment. So, I've gone on to consider what purpose Company A had in mind and whether that was in line with the purpose Mr S made the payments.

Mr S has provided evidence which shows that the High Court issued a winding up order against Company A and its associated companies. This was due to Company A misleading investors as to the security of their investments as well as them continuing to trade while insolvent. While an investment may have been mis-sold, or investors misled, this doesn't mean it the overall scheme was fraudulent or that it would meet the CRM Code's definition of

a scam. Furthermore, the fact they continued to trade while insolvent doesn't necessarily mean that Company A didn't have the intent to repay its investors or carry out the agreed investment.

Having reviewed the information provided by Mr S, as well as other information available regarding Company A, I've not received persuasive evidence that they didn't have the intention of using Mr S's funds in the agreed manner. It's clear that Mr S didn't receive the returns expected as part of his investment. But, this isn't enough alone to demonstrate that Company A were operating fraudulently.

Ultimately, I haven't seen persuasive evidence that Company A's intention was to defraud Mr S when he made the payments. Instead, the information I've reviewed suggests that Company A was a failed investment, not a scam.

I have every sympathy for Mr S as he has lost a substantial amount of money. That said, many businesses and investments fail and enter administration for genuine reasons, and not because they were set up to defraud and scam people. I believe that to be the case in this instance.

Ultimately, Mr S made payments towards a property investment and the evidence presented to our service doesn't sufficiently demonstrate that Company A didn't have the intention of carrying out and completing the investment. Because of this, I'm not satisfied that Mr S's claim meets the CRM Code's definition of an APP scam.

Should NatWest have prevented the payments?

Mr S feels that NatWest should've done more to prevent the payments at the time they were being made. Though the payments were made in branch unfortunately, due to the length of time that has passed, NatWest are unable to provide evidence which shows what discussions took place. This means I'm unable to confirm whether NatWest asked appropriate questions in order to identify whether Mr S was at the risk of financial harm.

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. That said, NatWest has no obligation to protect its customers from bad bargains or poor investment choices.

As I don't believe Mr S is the victim of an APP scam, and that this is a civil matter between Mr S and Company A, I'm satisfied that NatWest haven't failed any of their obligations by not intervening and discussing the payments prior to them debiting Mr S's account.

For completeness, even if this were a scam, I'm not persuaded NatWest ought to have prevented Mr S's loss if they had discussed the purpose of the payments with him at the time they were being made. This is based on the information available about Company A at the time of the payments and the fact that Mr S had carried out substantial research into the company and had had received a lot of information and documentation relating to the investment. Based on this, I don't think that NatWest could've, or should've, identified that Mr S was at the risk of financial harm at the time of the payments or prevented him from making them.

Overall

Based on everything I've seen, I'm not persuaded that Mr S has fallen victim to an APP scam as defined by the CRM Code or that NatWest should be held liable for failing to prevent his loss at the time the payments were made.

Overall, I'm not persuaded that Mr S has fallen victim to an APP scam as defined by the CRM Code, based on the evidence available. Should any material new evidence come to light at a later date that would suggest that Mr S was the victim of a scam, such as from the police or Trading Standards, then I would suggest he contacts NatWest to make them aware of this new evidence.

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 S to accept or reject my decision before 24 November 2025.

Billy Wyatt
Ombudsman