

The complaint

Mr M complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) won’t refund him the money he lost, after he fell victim to an investment scam.

Mr M has brought his complaint to this service with the assistance of a professional representative, but for ease of reading I will refer to Mr M throughout this decision.

What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won’t repeat it all in detail here. But in summary, I understand it to be as follows.

Mr M has explained that in or around November 2021 a friend introduced an investment opportunity to him, with a company I’ll refer to as ‘C’. The friend showed him records of how others were making money. Mr M has said that he carried out his own due diligence and didn’t find anything to concern him, and he saw evidence of other investors being able to make withdrawals.

Believing everything to be genuine, Mr M decided to proceed and between December 2021 and November 2022 he made over thirty payments, totalling nearly £17,000 towards the investment. Our Investigator provided a detailed breakdown of these payments with their view, so I won’t repeat them all again here. The scam saw Mr M making payments to accounts he held with cryptocurrency platforms. He’s said that the money, once converted into cryptocurrency, was subsequently transferred into digital wallets that the fraudsters controlled.

Mr M has said he was initially able to receive commission; however, he’s said this was converted into cryptocurrency and then reinvested. He’s said he suspected there was something wrong when there began to be a lack of updates about the investment and other investors expressed concerns.

As well as investing in C, Mr M’s friend also recommended another investment to him, with a company I’ll refer to as ‘G’, which he also considers to be a scam. Believing this also to be genuine, between 6 March 2023 and 8 June 2023, Mr M made two payments totalling just over £1,500, from his NatWest account. This also involved Mr M depositing funds into a cryptocurrency account in his own name, before moving the funds on.

Mr M raised the matter with NatWest, but it didn’t uphold his complaint. In summary, it said the payments had been sent to accounts in Mr M’s name, so it didn’t consider it was liable for his loss.

Unhappy with NatWest’s response, Mr M brought his complaint to this service. One of our Investigators looked into things but didn’t think the complaint should be upheld. In summary, it was our Investigator’s view that, based on the information known to NatWest at the time, the payments wouldn’t have appeared as carrying a heightened risk of fraud. She added that, from the evidence Mr M had provided, while it was evident there had been some

interactions with C, there was nothing to confirm the funds had been sent to C from Mr M's cryptocurrency accounts.

Mr M didn't agree with our Investigator's view. In summary, he said he believed the evidence provided did demonstrate transactions were deposited with C. Alongside this, he didn't agree that the payments he made didn't carry a heightened risk of financial harm.

As agreement couldn't be reached the complaint has been passed to me for a final 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 agree with our Investigator, that the evidence Mr M has provided doesn't verify that the money from accounts he held in his own name, was moved to the accounts the fraudsters controlled. What this means is that I haven't got any clear proof that the cryptocurrency payments Mr M made were in relation to C. Although, I would add that, there is some evidence to show that Mr M did have some interactions with C and G and from what I've seen and heard of Mr M's submissions, I'm persuaded he's been candid throughout.

In the individual circumstances of this case, even if I did have unambiguous evidence that Mr M's funds had moved through to C and G, I don't think it would make a difference. I say that as, having thought about everything carefully, I don't think NatWest is responsible for refunding the money Mr M sadly lost. I'm sorry to hear that Mr M has been the victim of a cruel scam. I don't underestimate his strength of feeling, and I know this will come as a disappointment to him, so I'll explain why.

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 2017 and the terms and conditions of the customer's account. Here, it is not in dispute that Mr M authorised the payments in question, so that means he is liable for them, even though he was the victim of a scam.

However, that is not the end of the story. The regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victim to scams.

So, in this case, I need to decide whether NatWest acted fairly and reasonably in its dealings with Mr M when it processed the payments, or whether it should have done more than it did.

Payments made in relation to C

I've reviewed the activity on Mr M's account statements, from which the payments were made, for the months leading up to the scam. This isn't always a straightforward matter, and NatWest has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud while not unnecessarily disrupting legitimate payments.

In the individual circumstances of this complaint, it is finely balanced as to whether the payments Mr M made would reasonably have alerted NatWest that he may have been at risk of financial harm. I say that as the payments made to C were spread over many months and, while I don't doubt they represented a significant amount of money to Mr M, I'm not

persuaded the individual values of the payments made would have given NatWest any cause for concern. I say that especially as the historic activity on Mr M's account shows numerous payments for similar and much higher amounts.

Having said that, for the purpose of this decision I've also considered that it is arguable NatWest could have picked up on the frequency of the payments being made, in that, on occasions there were multiple payments made on the same day in quick succession. But this in and of itself, isn't enough for me to say that NatWest should refund Mr M the money he lost. Although it's arguable that NatWest could have done more than it did, I'd also need to be persuaded that any further proportionate intervention/questioning would have made a difference and prevented the payments from being made. Of course I can't know for sure what would have happened, so I have to base my findings on the balance of probabilities – that is, what I think is more likely than not to have happened, taking into account what I know.

Mr M has explained that he was introduced to C through a trusted friend. He added that he had seen evidence of other investors making successful withdrawals and highlighted an example of somebody who had been able to buy a car with the proceeds of the investment. Alongside this, Mr M said he had successfully received commission, which was used to purchase cryptocurrency, which enabled Mr M to then reinvest. Furthermore, Mr M said there were regular online calls with investors/directors of the scheme and online presentations discussing the investment. As well as this, Mr M has said before investing, he carried out his own research and didn't find anything that gave him cause for concern.

Had NatWest intervened, I would have expected it to have asked Mr M questions around the purpose of the payment. There's no evidence that Mr M had been coached to lie and so I think he'd have answered the questions honestly and said they were for the purposes of an investment. With this I think NatWest could have then asked further questions relevant to the typical hallmarks of an investment scam, such as; whether there was a third party involved and if so how he'd met them, whether he'd downloaded remote access software, whether he'd been promised unrealistic returns, whether he'd made any withdrawals, whether he'd been coached to lie and whether he'd done any due diligence.

But, given I'm persuaded Mr M would have spoken candidly, I don't think his responses would have raised concerns. I say that because he'd been referred to the investment by a trusted friend, was aware of others who had successfully made withdrawals, and he wasn't being guided by a broker or a financial advisor. Further, he hadn't downloaded remote access software, he hadn't been promised unrealistic returns, and he'd done what he thought was reasonable due diligence. So, the investment didn't have the typical hallmarks of a scam. Although Mr M's payments were being made to his own cryptocurrency accounts, at the time they were made, cryptocurrency related scams were not as prevalent as they have been in more recent times, so I wouldn't have expected NatWest to question him specifically about this.

With this information, I would have expected NatWest to have then gone no further than to warn him about potential investment scams and to ensure that he was comfortable before proceeding. It wouldn't have been for NatWest to have provided Mr M with any investment advice, and I wouldn't have reasonably expected NatWest to carry out any research on C. It follows that I don't think NatWest would have been concerned that Mr M was at risk of financial harm, and I think Mr M would have wanted to proceed with the payments.

I am mindful the Financial Conduct Authority ('FCA') had first published a warning about C in late 2019. But even if Mr M had come across this warning as a result of any intervention by NatWest, I'm not satisfied it would have prevented him from going ahead with investing in C. I say this for the reasons I've set out above – particularly with how Mr M was introduced to

C. As well as this, I've seen from the evidence that Mr M proceeded/intended to set up multiple accounts, for family members as he was keen for them to also benefit. I think this further supports that Mr M was convinced of the legitimacy of what was being offered.

Overall, with all things considered and given the circumstances, I don't think NatWest can fairly be held responsible for Mr M's loss, and I don't think, in the individual circumstances of this case, the evidence supports that it would likely have been able to prevent Mr M from making these payments.

Payments made in relation to G

I'm not persuaded the payments Mr M made to G would have given NatWest any cause for concern. I say that as the historic activity on Mr M's account shows numerous payments for similar and much higher amounts.

I'm mindful that by the time these payments were made, in 2023, cryptocurrency scams had become more prevalent. But by this time Mr M's account activity would have shown a history of multiple payments to various cryptocurrency exchanges – so I don't think overall the activity would have appeared as so unusual or out of character for Mr M that I would reasonably have expected NatWest to have any concerns.

In summary, when considering the payments to G, based on the circumstances of the transactions (as I've explained above), I don't think there were sufficient grounds for NatWest to think that Mr M was at risk of financial harm from fraud when he made the payments. So, I can't say NatWest was at fault for processing the payments in accordance with Mr M's instructions.

I've thought about whether there was any opportunity for NatWest to have recovered the money Mr M had lost, once it was made aware of the scams. However, given the funds had been exchanged into cryptocurrency and then moved on to accounts controlled by the fraudsters, I don't think there was any opportunity or prospect of NatWest being able to recover any of the money.

I'm mindful that Mr M has said he was vulnerable at the time the payments were made. I recognise that Mr M has fallen victim to a scam and I'm sorry to hear of the difficult personal circumstances that he had been faced with. But I haven't seen anything to suggest that NatWest were made aware of any vulnerability factors or ought to have identified them, such that it should have known to take additional steps to protect Mr M.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Mr M. It's very unfortunate he has lost this money in this way, and I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for him. But in the circumstances, having carefully considered everything, I don't find NatWest could have reasonably prevented Mr M's loss here. Neither do I find there were any other failings on NatWest's part that would lead me to uphold this complaint.

My final decision

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 M to accept or reject my decision before 26 December 2025.

Stephen Wise
Ombudsman