

The complaint

Mr C complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") hasn't protected him from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Mr C has explained that in February 2024 he made numerous payments from his NatWest account for what he thought was a legitimate investment. Mr C subsequently realised he'd been scammed and got in touch with NatWest. Ultimately, NatWest didn't reimburse Mr C's lost funds, and Mr C referred his complaint about NatWest to us.

Our Investigator recommended a settlement which it appeared Mr C and NatWest both agreed to. However, it has become clear that Mr C and NatWest interpreted the Investigator's suggested settlement differently. In the interests of all parties, I therefore issued a provisional decision on 12 September 2025 to clarify what is on the table and what I was intending to conclude would be fair. Mr C responded to say that he accepts my provisional decision. NatWest didn't respond to my provisional decision. Since I'm satisfied both parties have had fair opportunity to reply, I'm now ready to explain my 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.

Having done so, and having received no disagreement from either Mr C or NatWest in response to my provisional decision, I see no reason to depart from my provisional decision. I've reached the same conclusions and for the same reasons. I've explained my reasons again below.

I see no reason why I would depart from the Investigator's finding that NatWest reasonably ought to have prevented Mr C's loss from the £4,750 payment on 20 February 2024 onwards – payments out of his NatWest account that amounted to £24,045. I also agree with our Investigator that the principles around contributory negligence are very much valid here, such that it's fair Mr C shoulders responsibility for 50% of this loss.

That being said, if the facts were that simple, "normal" redress here could be for NatWest to pay Mr C £12,022.50 (which is 50% of £24,045) plus interest on this amount calculated at 8% simple per year from the date of the payments to the date of settlement. In this case, however, after the payment for £4,750 on 20 February 2024, Mr C took out a NatWest loan for £20,000, which he received into his NatWest account before then spending it by making the further payments to the scam we think NatWest should have been able to prevent. It seems as a result of this, and what our Investigator said about it, that the Investigator's suggested settlement has then been interpreted differently by the parties.

To be clear, the £20,000 NatWest loan credited Mr C's NatWest account and was then materially paid out and lost to the scammers. But just because it's thought Mr C most likely wouldn't have taken out the loan if NatWest had done what it should have done, this doesn't mean Mr C should receive back the whole of the loan as compensation. I've already explained I think the principles around contributory negligence are very much valid here, and it's fair Mr C shoulders responsibility for 50% of the loss. So, in a situation like this, it wouldn't be fair for Mr C to receive the £12,022.50 (noted above) *and* also have 50% of the loan written off. That would amount to double compensation for the loan, because the same £10,000 of the loan he would be receiving back as part of the £12,022.50 refund, he'd be receiving again in writing off half of the loan.

Bearing this in mind, I understand NatWest has offered to pay Mr C total compensation of £12,022.50 by way of paying £10,000 to the £20,000 NatWest loan (taking the loan balance down to £10,000) and paying the remaining £2,022.50 directly to Mr C. This excludes for simplicity here all the other matters we'll come to below regarding the other elements.

I'm satisfied this in principle is fair. This is because of what I've said above – Mr C can't fairly have half the loan funds written off and at the same time receive the same money back that it would take to do that as a refund directly to himself, as that would be double recovery.

There are remaining elements, as follows:

- Interest and charges payable on the NatWest loan – NatWest has fairly offered to remove all of these, such that there'd be a principal balance of £20,000 reduced to £10,000 after the £10,000 refund has been applied.
- Repayments of £1,377.72 to the loan – NatWest has said that these were returned unpaid, such that Mr C never actually made these repayments, such that no refund would be due for these. The information I've seen suggests this is accurate and fair.
- How should the loan appear on Mr C's credit file – NatWest has pointed out that it can't take reference to half of the loan off Mr C's credit file; it either has to take reference to all of the loan off, or none of it. In this respect, I understand NatWest is offering to remove reference to all of the loan from Mr C's credit file, and I don't think this is unreasonable – I think this would be fair.
- Distress and inconvenience – as previously agreed, NatWest should pay Mr C £200 for this.
- Compensatory interest – Mr C hasn't been deprived of the use of the £10,000 compensation payable to the loan because if things had happened as they should have, he would never have had the loan, so he wouldn't have had this money to be deprived of. And he isn't being charged interest on the loan with the settlement as it is. So compensatory interest, calculated at 8% simple per year, would only be due on the amount of £2,022.50 payable directly to Mr C.

My final decision

For the reasons explained, I uphold this complaint in part and I direct NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to:

- remove all interest and charges on the NatWest loan; plus
- remove reference to the NatWest loan from Mr C's credit file; plus
- pay Mr C £200 for distress and inconvenience; plus
- provide Mr C with compensation of £12,022.50, by paying £10,000 to the NatWest loan to bring that loan balance down to £10,000, and by paying £2,022.50 directly to Mr C; plus

- pay Mr C interest on the amount of £2,022.50 calculated at 8% simple per year from 27 February 2024 to the date of settlement. If NatWest deducts tax from this interest, then it should provide Mr C with an appropriate tax deduction certificate; plus
- not pursue Mr C for more than the remaining outstanding amount of the loan which will be £10,000, and to be sympathetic to any financial constraints that may materialise in agreeing a reasonable repayment plan with Mr C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 October 2025.

Neil Bridge
Ombudsman