

The complaint

Mr G 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.

In 2022, Mr G became aware of an investment opportunity through an acquaintance. The company offering the investment will be further referred to as “Company O”. It was explained to Mr G that Company O would invest his funds in a medical supply company, with profits being shared between the two. The medical supply company will be further referred to as “Company M”.

Mr G carried out research into both companies and, satisfied with what he’d seen, made payments totalling £30,000 to Company O between May and June 2022, with £18,500 of this amount being paid from his NatWest account.

In February 2025, Mr G raised a complaint with NatWest via a professional representative, requesting reimbursement of his losses on the basis he’d fallen victim to a scam.

NatWest investigated the matter but declined to offer any reimbursement to Mr G on the basis that this was a civil dispute between him and Company O. Unhappy with this response, Mr G’s complaint was referred to our service via his professional representative.

An investigator looked into Mr G’s complaint but did not uphold it. The investigator felt that NatWest hadn’t acted incorrectly in declining Mr G’s request for reimbursement as they agreed this was a civil dispute between him and Company O.

Mr G disagreed with the investigator’s findings and supplied further evidence and arguments, including, but not limited to, the following:

- The underlying investment with Company M was fraudulent.
- Mr G’s funds weren’t used for the agreed purpose.
- Company O were not regulated by the Financial Conduct Authority (FCA), which they ought to have been.
- The investment was mis-represented to Mr G.

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 G 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 G's complaint. This is not meant to be a discourtesy to Mr G and I want to assure him I have considered everything he has 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 payment.

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 G.

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 G 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 G made the payments in order for an investment to be made with a medical supply company. So, I've gone on to consider what purpose Company O had in mind and whether that was in line with the purpose Mr G made the payments.

I've reviewed evidence and information our service has received from the beneficiary bank which received Mr G's payments.

I'm limited as to what information I can share with Mr G under data protection laws. But, I'm able to see that Mr G's funds appear to have been used in the manner agreed by him and Company O, as per his agreement.

Much of Mr G's submissions relate to the fraudulent nature of Company M and the underlying investment. Though this information is relevant, the evidence provided doesn't show a direct link between Company O and any potentially fraudulent actions which may have occurred on the part of Company M. The evidence also doesn't show that Company O had knowledge of the investment not being legitimate or that they'd colluded in any way with Company M to defraud investors. And, given the funds appear to have been used in the manner agreed by Mr M and Company O, I'm unable to identify from the available evidence that Company O sought to defraud investors or that they have unjustly enriched themselves as a result of Mr G's payments.

Mr G alleges that Company O misrepresented aspects of the investment, including the risks involved and the personal guarantees given on the investment. But, even if Company O had misrepresented these aspects of the investment, the evidence still suggests that they used Mr G's funds in the manner agreed.

Therefore, a misrepresentation doesn't necessarily demonstrate that Company O's intention was to defraud Mr G or that any potential misrepresentation in this respect would mean that the payments meet the definition of an APP scam under the Code.

I appreciate that Mr G is now unable to contact Company O but, again, this doesn't mean they intended to defraud him at the time of his payments. There could be any number of reasons that a genuine company ceases to continue, and I don't think the termination of communication shows that the purpose Company O had in mind at the time of the payments was different to that of Mr G.

Mr G argues that it was the responsibility of Company O to verify the authenticity of the investment in Company M before promoting the investment opportunity. But, even if Company O had failed to properly verify the legitimacy of the investment, this doesn't show that their intended purpose was fraudulent.

Mr G also claims that Company O not being regulated by the FCA shows that they were acting fraudulently. Again, while there may have been a failure to gain proper authorisation from the relevant financial regulator, this doesn't mean that their intended purpose was fraudulent or different to that of Mr G. I'm also not persuaded that Company O's recorded nature of business on Companies House not relating to investment activities demonstrates they intended to defraud Mr G.

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

I appreciate that Mr G was experiencing some difficult personal circumstances at the time the payments were made. But, as I'm not satisfied that Mr G's payments meets the CRM Code's definition of an APP scam, I don't think NatWest are at fault by failing to take into consideration any potential vulnerabilities when processing the payment or when considering his request for a refund.

Further to this, as I can't see that NatWest were aware of any potential vulnerabilities at the time of the payments, I can't say that they failed in their duty of care to Mr G with regards to any potential vulnerabilities.

Company M are currently in administration. It may be that this process uncovers evidence which shows that Company O were acting fraudulently and were, in fact, colluding with Company M. But, as it stands, there's not enough to say Company O were acting fraudulently or that the purpose they had in mind at the time of the payments was different to that of Mr G.

Overall, I'm not persuaded that Mr G has fallen victim to an APP scam, based on the evidence available. Following this, I'm not persuaded that his payments are covered by the CRM Code or that NatWest were incorrect in declining his request for reimbursement under the Code. I've no doubt that this will be extremely disappointing to Mr G, given the impact this situation has had on him, but I'm unable to say that NatWest are liable to reimburse his loss.

Should any material new evidence come to light at a later date, for example from the police or the administrators, Mr G can ask NatWest to reconsider his claim. But, as it stands, I can't fairly say NatWest should reimburse his loss under the CRM Code.

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 G to accept or reject my decision before 31 December 2025.

Billy Wyatt
Ombudsman