

The complaint

Ms B complains that NATIONAL WESTMINSTER PUBLIC LIMITED COMPANY ('NatWest') declined to refund her when she lost over £95,000 as a result of an investment scam.

What happened

I wrote to both parties sharing my initial thoughts in a provisional decision in September 2025. The following is an extract from that decision:

"The details of this complaint are well-known to both parties, so I will not go into every detail of what happened here. But, in summary, in August 2021, Ms B was looking for ways to increase her pension funds and came across a company which I will call 'S' who purported to be a legitimate investment brokerage firm. Persuaded that S was a genuine company, Ms B sent three payments over three days, which totalled just over £95,000, via another account in her name with a business which I will call 'R'. Unfortunately, S were not a genuine company and Ms B had fallen victim to a scam.

Ms B found the investment opportunity online. She said that S claimed to be a regulated company and appeared legitimate, and as an inexperienced investor she did not realise that she needed to do independent checks on the company. S claimed they could help her earn a significant return on her investment, which appealed to Ms B. S told her that they would need access to her computer to facilitate training, so she downloaded screen sharing software. She said they then helped her set up accounts with R, and two cryptocurrency wallets held with other companies. She said they provided some training and then encouraged her to invest her funds, and she sent £95,000 over three payments from her NatWest account to her account with R and onto the cryptocurrency wallets. Ms B said that her investments quickly accumulated returns, which she believed had increased the value of her investment to over £200,000. but when she asked to withdraw her funds, she was encouraged to invest more.

Ms B was told that her investment was losing value quickly and she would need to deposit more money in order to keep her trading account afloat. Around this time, it dawned on her that she had fallen victim to a scam.

Ms B complained to NatWest. They looked into what had happened and declined to refund her any of the money she had lost to the scam. In summary, they thought that Ms B had not carried out reasonable steps to check if the payments were going to a genuine investment. They also said they had contacted her about two of the payments and warned her they could be fraudulent, but that she had decided to go ahead anyway.

Ms B remained dissatisfied, and so she escalated her concerns to our service. One of our investigators looked into what had happened and recommended that NatWest refund Ms B 33% of the outstanding losses. This was because they thought that NatWest should have gone further when speaking to Ms B about the payments, and thought that they could have prevented Ms B's losses if they did so. They also made broadly the same finding against another financial business, whom they recommended should also be liable for 33% of the losses. They said that they thought it was fair and reasonable for Ms B to bear some

responsibility for what happened – which is why the remaining loss to was to be allocated to Ms B.

NatWest agreed to our investigator's recommendations, but the other financial business did not. So, both cases have been passed to me to decide.

What I've provisionally 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 am minded to broadly agree with our investigator's recommendations on the complaint with regard to the overall outcome but award a different amount of redress and some additional reasoning. If nothing changes, my findings are likely to be as follows.

NatWest accepted our investigator's recommendations in this complaint, though have confirmed they have not yet paid Ms B. But, for completeness, I will first outline my thoughts on their liability to refund Ms B.

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Service Regulations and the terms and conditions of the customer's account. However, where the consumer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the consumer even though they authorised the payment.

There is no dispute that the transactions were 'authorised' payments, even though Ms B was the victim of a sophisticated scam. Ms B made the payments herself, and under the relevant regulations and the terms and conditions of her account, Ms B is presumed liable for the payments in the first instance.

But I've also taken into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time. In this case, this does not include the Lending Standards Board Contingent Reimbursement Model ('CRM') Code as this code requires the payment to have gone directly to a scammer, and in this case the funds went to an account Ms B set up and had access to in her name with the legitimate EMI. But based on the other relevant rules relating to authorised push payment scams, I think NatWest should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.*
- Have had systems in place to look out for unusual and out of character transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

So, I consider that as a matter of good practice, NatWest ought to have been on the lookout for unusual and out of character transactions and where necessary, taken proportionate interventions. I do not think it is in dispute here that the payments were unusual and out of

character which indicated that Ms B could be at risk of fraud or financial harm. I say this because at £10,000, £20,000 and then CHAPS payment for £65,023 were all unusual and out of character for Ms B's account, and because NatWest spoke to Ms B about all three payments.

NatWest spoke to Ms B on the phone about the first two payments. In the first call, they asked her some basic scam related questions. They told her that the company she was sending her money to, R, whilst being a regulated financial business, was known to be utilised by scammers. Ms B explained that the account with R was newly opened and said that she just wanted to use money in another way. Whilst I do think NatWest were right in intervening, and did ask some relevant questions, I think there were causes for concern that meant that they should have gone further in their questioning of Ms B here. They did explain some basic scam scenarios, but did not detail the kind of scam Ms B was falling victim to, or what simple steps she may take to protect herself.

In the second call, they stopped the payment and asked her to go into branch to confirm it was her making the payment. When she spoke to NatWest they asked her a few questions about how she made the payment, why she was making the payment, and then discussed some scam circumstances. They talked about scams where people posed as banks, HMRC, or retailers and she confirmed she had not been called by anyone claiming to be these. She said she wanted to transfer money over to R because it was her new account. These scam discussions did not include investment scams or cryptocurrency scams, and so were not specific to what Ms B was falling victim to. In this call, Ms B asked about increasing the payment amount she was sending from £20,000 to £85,000. Whilst they did not do this, I think this should have provided further cause for concern to NatWest and prompted more robust questioning.

The third and largest payment was made via CHAPS in branch. The branch staff completed a questionnaire with Ms B. Again, I do not think it did not discuss the type of scam Ms B was falling victim to, nor did it give her the tools to protect herself here.

Would further questioning have prevented Ms B's loss?

Whilst we can never say with total certainty, I think that further questioning would have been more likely than not to prevent Ms B's loss. During the phone calls, she does seem interested to hear more about scams and even says that she herself is doing her best to be vigilant against scams. Having reviewed Ms B's testimony, I do think that had the type of scam she was falling victim to been explained to her, along with the fact that she should do her own independent research into 'S', she would not have lost the money to the scammers. I do appreciate that Ms B did not divulge the exact nature of the payment, she seemed genuinely curious to learn more about scams in the calls and thanked them for their security provisions. Whilst banks are not expected to act as financial advisers, a simple explanation that Ms B should look at reviews and check if they were regulated likely would have prevented the loss here. There was negative and contradictory information about S out there, and these funds are of great importance to Ms S.

Should Ms B bear some responsibility for the loss?

Having reviewed Ms B's testimony and the available evidence, I am minded to say that Ms B did not do sufficient checks to ensure that the investment was legitimate. This would mean that I think it would be fair and reasonable for her to bear some responsibility for her loss. I say this because, in summary:

- Ms B explained to our service that she thought S were a legitimate, regulated company. She explained that she was unaware she had to check the legitimacy of

the company independently as she had no reason to suspect they were not who they claimed to be. But I do think it is incumbent on individuals to check the legitimacy of who they are sending any money to – particularly the large sums Ms B was sending. I do not think that Ms B did undertake sufficient checks to believe that she was dealing with a legitimate investment. And I think had she done so, she likely would not have proceeded with the payments.

- Had she done her own checks on 'S', I can see that there were indeed negative reviews about the company online which were there at the time she made the payments.*
- 'S' were also not regulated by the Financial Conduct Authority (FCA) nor registered on Companies House, which given they claimed to be a registered and legitimate company, would have given Ms B cause for concern.*
- The payments were made over a period of four days, and the payments on from her account with R were made over a period of five days. She was not put under intense time pressure like we see in some scams. So, I think it would have been proportionate when sending the amount of money she was over a period of days for Ms B to have conducted independent research about S.*

I do appreciate that Ms B has asserted that she was vulnerable to the scam at the time due to her age and the fact she was not financially literate. However, I have seen nothing to say that she was unable to protect herself from falling victim to a scam, or that NatWest were on notice that she was vulnerable in any way. I say this because she was able to follow S's training, and make financial decisions.

What is an appropriate amount of liability for the three parties involved?

In our investigator's assessment, they recommended a 34% deduction for contributory negligence based on the fact that both NatWest and the other business were responsible for the same loss and Ms B shared some responsibility too.

I've thought carefully about this recommendation, and while I know this will be disappointing for Ms B, I am minded to say that something else is fair and reasonable in the circumstances of this complaint.

In order to reach a fair outcome on this case I've considered the actions of all parties involved. And in doing so, I've thought about whether Ms B's actions, or in-actions, mean she should share liability for their loss. For the reasons I detailed above, I do think it would be fair for Ms B to bear some liability for her loss.

I've looked at the mistakes made by both businesses and I've found them to be very similar in nature – they both should have recognised that Ms B was at risk of financial harm from fraud and prevented her loss. Where two businesses have made the same or similar mistakes, I don't think their combined mistakes mean that they are more at fault than they would be if only one of them had made that mistake.

Comparing Ms B's actions against those of both businesses, for the reasons I've explained, I think that a fair deduction to the amount reimbursed is 50%. NatWest and R should pay 25% each of the loss, along with 8% simple interest from the date of the payments..

My provisional decision

If nothing changes, I will be asking NatWest to reimburse 25% of Ms B's remaining losses of £95,023, along with 8% simple interest from the date of the loss to the date of the reimbursement."

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 gave both parties time to respond to this provisional decision to provide any further testimony or supporting evidence. NatWest responded to say that they agreed to the recommendation in my provisional decision in order to bring this complaint to a close.

Ms B did not agree. I have carefully considered her response and will summarise it here. Ms B was unhappy with the provisional decision. She explained the stress that she has endured after losing her retirement savings to the scam in 2021. She was heartened to read that I agreed with our investigator's recommendations overall, including the painful but fair position that all three parties involved were culpable for their actions.

The area of discontent involved my recommendations for how this liability should be split. Ms B said she felt our investigator's recommendation that the loss was split into thirds was fair. She explained she had gone through the painful acceptance process to agree to taking on a third of the financial responsibility herself. She said my recommendation that mistakes made by both businesses were similar in nature and so they should collectively share 50% of the liability was not fair because:

- NatWest had agreed to refund 33% of her loss. R had not taken any responsibility for her loss and believed this to be an investment gone wrong. They had ignored her from the day she reported the fact she had fallen victim to a scam. They had ignored emails and remained disengaged.
- NatWest and R are very different in their nature and business models. Two independent financial institutions failed her and each of those businesses operated independently, based on their own actions, culture, products and services.
- Both businesses had failed in their obligations to protect her funds and deter scammers, but their responses show a difference in culture. As NatWest agreed to reimburse 33%, she argued that R ought to do the same.

I have thought carefully about what Ms B provided in response to my provisional decision, and I am so sorry to disappoint her but my mind remains unchanged. Had her funds only been lost from her account with one of the businesses, I would be asking the business and Ms B to share the liability between them. And whilst I appreciate that the response of R and NatWest have been different, and their structures and cultures differ, ultimately their error was similar in nature. The error I speak of relate to the failure to prevent Ms B's losses as a result of a scam. And so, as the errors were so similar in nature, it would not be fair for all parties involved if Ms B was reimbursed more of her losses due to the fact two businesses were involved

Putting things right

I require NatWest to:

- Reimburse 25% of Ms B's losses
- Pay 8% simple interest from the date of the loss to the date of the reimbursement.

My final decision

I uphold this complaint, in part, and require NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to reimburse Ms B in line with what is outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 4 November 2025.

Katherine Jones
Ombudsman