

## The complaint

Mrs A complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') won't reimburse the funds she lost when she says she fell victim to a scam.

## What happened

Mrs A says that she found out about an investment with a company I'll refer to as B on social media. She made enquiries and decided to invest. The investment involved a buy to let scheme in respect of a holiday cottage development.

Mrs A understood she would receive a return of 8% for five years, at which point her funds would be returned together with a 10% capital uplift. She bought two lodges in 2020 and 2021. On each occasion Mrs A paid a deposit of £1,099 by debit card and then made a CHAPS payment in branch of £53,973 and £68,874 respectively.

Mrs A received returns between January 2021 and October 2022. The returns ceased and Mrs A says that B became uncontactable. A company linked to B, which I'll call A, later went into administration in May 2024.

Mrs A instructed a professional representative to complain to NatWest on her behalf in February 2025. She said NatWest failed to intervene appropriately when she made out of character payments.

NatWest said that Mrs A has a civil dispute with B which isn't covered by the Contingent Reimbursement Model Code ('CRM Code'), which was in force at the time. NatWest also said that there was no bank error in processing the payment.

When NatWest sent its file to this service though, it said that the matter was being reviewed by a different team and it was unable to provide an outcome. NatWest also said that it couldn't raise a chargeback in respect of the card payments made to B because it was notified of the claim well outside of the time period allowed to do so. The transfers were made in branch, and forms were completed at the time.

Mrs A was unhappy with NatWest's response and brought a complaint to this service. She said she should be reimbursed under the CRM Code and that NatWest should have taken additional steps when she made out of character payments.

### *Our investigation so far*

The investigator who considered this complaint didn't recommend that it be upheld. In summary, she said that there wasn't currently enough evidence to conclude this was an APP scam as set out in the CRM Code. As a result, the investigator said NatWest acted reasonably in concluding Mrs A has a civil dispute with B. But the investigator recognised there are ongoing investigations that may result in new evidence coming to light which Mrs A could ask NatWest to consider.

Mrs A, through her professional representative, didn't agree with the investigator's findings. I have summarised the main points she raised below:

- The administrators of A have verbally stated that:
  - o The scheme bears the hallmarks of a sophisticated investment scam.

- This service's comment that investors' funds were mainly used for purposes consistent with property development doesn't match the administrator's experience.
- There are significant questions about where investors' money has gone and what it was used for, particularly in respect of funds that went to a company I'll call BW. Over £5million of investors' funds were paid to BW and have disappeared. Mrs A's representative says that the administrator of A says these funds weren't used for their intended purpose.
- In brochures and other material, investors weren't told the truth about planning permission, which didn't exist at all for one site and was only in place for a small number of lodges at another site.
- Those behind the scenes (rather than introducers/advisers involved) set out to create the false impression that investors would own the land and the lodge built on it, which was never the case. Brochures refer to the investments being asset-backed, and Mrs A was told she was a freeholder when this wasn't the case.

### **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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

I'd like to make it clear that although I haven't commented on each point raised by Mrs A, I have carefully considered all her submissions.

It isn't in dispute that Mrs A authorised the payments I have been asked to consider. Because of this, the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transactions. But where the consumer made payments as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for their bank to reimburse them even though they authorised the payment.

NatWest is a signatory to the CRM Code. Under this code, the starting principle is that a firm should reimburse a customer who is the victim of an authorised push payment (APP) scam, except in limited circumstances. But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.

I have considered whether Mrs A's claim falls within the scope of the CRM Code, which defines an APP scam as:

*...a transfer of funds executed across Faster Payments...where:*

- (i) *The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) *(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

The CRM Code is also explicit that it doesn't apply to private civil disputes.

It is for Mrs A to demonstrate that she is the victim of an APP scam.

To decide whether Mrs A is the victim of an APP scam as defined in the CRM Code I have considered:

- The purpose of the payments and whether Mrs A thought this purpose was legitimate.
- The purpose the recipient (B) had in mind at the time of the payments, and whether this broadly aligned with what Mrs A understood to have been the purpose of the payments.
- Whether there was a significant difference in these purposes, and if so, whether it could be said this was as a result of dishonest deception.

Mrs A understood that she was making an investment in the development and operation of a holiday lodge park in Scotland. Nothing I have seen indicates to me she did not think this was a legitimate venture.

I've gone on to consider what purpose B had in mind for the payments it obtained from Mrs A. In reaching an answer on what purposes B, and its linked companies, intended, the key information I've considered is as follows:

- B and linked companies owned sites and either had, or sought, planning permission to build and develop holiday lodges on these sites, and lodges were built. This suggests that B and the other companies had a genuine intention to build and/or develop the sites.
- The evidence available doesn't demonstrate that investors' funds were obtained fraudulently or solely for the personal benefit of the directors. I haven't been provided with evidence to show that the funds weren't, in the main, used for business purposes. Whilst Mrs A's representative has referred to comments made by the administrator, I note the administrator has also said that they only have a partial picture of where funds went and that a wider investigation is needed. So, on the evidence that is currently available, I can't fairly say it's more likely than not this was a deliberately fraudulent scheme.
- Many of the submissions made by Mrs A are about representations made to investors prior to taking out their investments. I'm not persuaded Mrs A believed she was taking legal ownership of the land. In any event, if misrepresentations were made, I don't think this speaks to the intention of B and the other companies involved, including whether they sought to defraud their investors. Misrepresentations made before an investment is entered into wouldn't automatically mean that Mrs A's payments would meet the definition of an APP scam.

It's clear that there are large and complex ongoing investigations by both the administrators of the companies involved and the police. Given the breadth of these investigations, it's difficult for me to be certain that all the available evidence has been obtained from all parties and that all the information relevant to this complaint has been reviewed before I issue my decision.

The investigations haven't yet drawn definitive conclusions as to whether the relevant companies, or their directors, have acted fraudulently. And fraudulent activity by the companies or their directors may not automatically mean that Mrs A's payments would then meet the definition of an APP scam, given any activity found to be fraudulent may be unrelated to the purpose for which investors' funds were obtained, and instead relate to other activities carried out by the companies.

Mrs A has said that some investor funds were taken before the land for the development was bought. It's unclear why funds were taken at this stage (and during the winding up process of connected companies). I'm not persuaded this means that B was operating a scam.

I'm sorry Mrs A has lost such a lot of money. But many businesses fail and enter into administration for genuine reasons, rather than because they were set up to defraud and

scam people. Based on what I have seen, I can't fairly say that an APP scam is the more likely scenario here. Mrs A made payments towards a holiday lodge scheme that was purporting to develop the site and rent a lodge. The evidence I've seen doesn't sufficiently demonstrate that B didn't intend to complete the developments and rentals at the time the payments were made. Because of this, I'm not satisfied that Mrs A's claim meets the CRM Code's definition of an APP scam.

If material new evidence comes to light, for example following the completion of investigations by the administrators or the police, Mrs A can ask NatWest to reconsider her claim.

I've gone on to consider whether NatWest could have done more to prevent Mrs A's loss at the time the payments were made. I note that both payments were made in branch and that staff asked Mrs A questions about the reason for the payments and gave scam advice. I'm not persuaded that more detailed questioning at the time of either payment would have caused NatWest to be concerned Mrs A may be falling victim to a scam, or that the payment would not have been made. B was a registered company that was paying returns to other investors, detailed documentation was provided, and there was nothing in the public domain at the time to suggest NatWest should have had concerns.

There was also no possibility of chargeback claims in respect of the card payments as these would have been out of time.

Overall, whilst I recognise that Mrs A will be very disappointed with my decision and that she has lost a substantial amount of money, I'm not persuaded she is the victim of an APP scam covered by the CRM Code, or that NatWest should have prevented the payment from being made.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 12 February 2026.

Jay Hadfield  
**Ombudsman**