

## The complaint

Mr C complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY won't refund the money he lost as a result of a scam.

Mr C has been represented in his complaint by a firm of solicitors.

## What happened

The background to this complaint is well known to the parties, so I'll simply summarise it here.

Briefly, a friend of Mr C's told him about an investment he'd seemingly been making good returns on, and recommended it to Mr C. Mr C searched online for the company his friend had mentioned. He clicked on a link and opened the website of a company which I'll refer to as "P". Mr C says the website looked highly sophisticated and legitimate. He made an enquiry and a broker contacted him. Mr C then opened an account on P's trading platform. Unfortunately, the supposed broker ultimately turned out to be a scammer, and I'll refer to them as "the scammer" in this decision, even though I appreciate that Mr C didn't realise that's what he was dealing with at the time.

In the course of just over two weeks in March 2025 Mr C made six payments by credit card as part of the investment.

	Date	Time	Merchant	Amount
1	6 March 2025		M	£200.44
2	7 March 2025	11.45	M	£4,978.99
3	7 March 2025	11.53	M	£4,978.99
4	7 March 2025	15.05	D	£8,013.06
5	20 March 2025	19.04	M	£5,404.57
6	21 March 2025	09.33	M	£5,412.51
Total				£28,988.56

Mr C has told us that he communicated with the scammer by email and WhatsApp. He says he was also involved in several calls and video meetings in which the investment process was explained. He says the scammer kept in frequent contact with him, and sent him information about his trades and investments. And he says that when he logged on to his account with P, he could see his trades making profits and losses, which reinforced the appearance of legitimacy.

Mr C was able to withdraw £266.72, which reassured him further. But the scammer started pressuring him to deposit more, and Mr C realised he'd been scammed when he found he was unable to make any further withdrawals. He reported the scam to NatWest on 9 April 2025.

In between payments 4 and 5, Mr C made two further payments to D, totalling over £18,000, from the current account he and his wife hold with NatWest. I've considered a separate complaint about those payments, but I mention them here for context.

NatWest has told us that Mr C approved payment 4 by SMS message. Other than that, it didn't intervene on any of the transactions listed above. It's explained that it doesn't consider that the payments were out of character for Mr C, or that it ought to have realised that he was at risk of financial harm.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, she thought that NatWest ought to have contacted Mr C when he made payment 3 and asked him about the payment. But she didn't think it likely, on balance, that intervention from NatWest would have put Mr C off going ahead. And she didn't think it could have recovered the money for Mr C.

Mr C disagreed with the investigator's view, so the complaint's been passed to me.

### **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.

First, I'm aware that I've set out the background to this complaint in less detail than the parties and I've done so using my own words. I'm not going to respond to every individual point made by the parties. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. It's just that I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I was sorry to hear that Mr C fell victim to a cruel scam. I have sympathy for him, and I don't underestimate the impact this will have had on him. My role here is to decide whether it's fair and reasonable to hold NatWest responsible for his loss.

I'm sorry to disappoint Mr C, but having thought carefully about what both he and NatWest have told us, I've reached the same conclusion as the investigator, and for similar reasons.

It isn't in dispute here that the payments weren't covered by the Lending Standards Board's Contingent Reimbursement Model (CRM) Code. This is because the code doesn't cover payments made by card.

In broad terms, the starting position in law is that NatWest is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. Here, it's not disputed that Mr C made and authorised these payments, although I accept that when he did so, he didn't think his money was at risk. But that's not the end of the matter.

There are circumstances, irrespective of the payment channel used, where it might be appropriate for a bank to take additional steps, make additional checks, or provide additional warnings before processing a payment, to help protect its customers from the possibility of financial harm from fraud.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payments were made, NatWest should have been doing the following to help protect its customers from the possibility of financial harm:

- monitoring accounts and payments to counter various risks, including fraud and scams;
- keeping systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;
- acting to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring that all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether; and
- being mindful of - among other things – common scam scenarios, how fraudulent practices were evolving (including, for example, the common use of multi-stage fraud by scammers) and the different risks these can present to consumers when deciding whether to intervene.

I've looked at Mr C's credit card statements for the 12 months before he started making the payments to the scam. I can see that he'd made a number of significant payments, including a payment for just under £3,600 and one for £2,000 in February 2025. Payment 2 was larger than any payment in the previous 12 months. But I don't consider that NatWest ought to have been concerned about it based on its size alone, or to have considered it to be out of character for Mr C.

But I do think NatWest should have been concerned about payment 3. It was the second identical payment within a few minutes to a merchant that Mr C had first paid the previous day. It took the total payments to M that day to only a little short of £10,000. What's more, the payment was in a foreign currency. Although Mr C sometimes made payments in foreign currencies using his credit card, they were generally for relatively low amounts and look to have been typical holiday spending. Payment 3 didn't fit into that pattern, and I think NatWest should have had enough concerns about it that it ought to have spoken to Mr C and asked him some open, probing questions before processing it.

I've borne in mind that NatWest did speak to Mr C about a payment for more than £7,000 that he made to the scam on 11 March 2025 (between payments 4 and 5 in the table above) from the current account he held jointly with his wife. As I've mentioned above, I've considered a separate complaint about payments made to the scam from the current account. I've explained in my decision on that complaint that I think NatWest could have asked more open and probing questions when it spoke to Mr C. But as the payments were

made in the course of the same scam, I think that what Mr C told NatWest when it spoke to him about the payments is relevant in the overall picture here.

Briefly, when NatWest asked Mr C about the purpose of the 11 March payment, he told it he was buying shares. He confirmed, when asked, that nobody had asked him to make the payment, or coerced him into doing so. He confirmed that he'd made a payment to the same retailer before. When the call handler asked Mr C whether he was aware that the payment was in a foreign currency, he confirmed that he was. Mr C explained that the payment wasn't going to P itself, but to a third party.

Even if NatWest had asked similar questions when Mr C made payment 3 on 7 March, I wouldn't have considered that it had gone far enough. But the fact that I think that NatWest didn't do what it should have done here doesn't automatically mean that I think it should refund payments or pay compensation to Mr C. I can only fairly hold NatWest responsible for Mr C's loss if I think that proportionate intervention on its part would have prevented the loss.

Where, as in this case, the evidence is incomplete, inconclusive or contradictory, I make my decision on the balance of probabilities. In other words I decide what I think is more likely than not happened, or would have happened, based on the available evidence and surrounding circumstances. This necessarily involves a degree of speculation.

There was extensive back and forth between Mr C's representatives and the investigator after the investigator sent out her view of Mr C's complaint. I've paid full regard to everything that Mr C's representatives said during that exchange. But I'm not persuaded, on balance, that Mr C's loss would have been prevented even if NatWest had asked him the sort of detailed, probing questions I consider it should have done about the payments.

I accept that an appropriate level of questioning would likely have revealed that some of Mr C's communication with the scammer was on WhatsApp. But Mr C has told us that he also had several phone conversations and attended video meetings about the investment. And I think that even if NatWest had told him that scammers often communicate with their victims using WhatsApp and other messaging platforms, the fact that Mr C had had video calls and seen presentations about the investment would more likely than not have reassured him.

Mr C has explained that he'd known the friend who introduced him to the investment for thirty years. The friend was longstanding and trusted, and he told Mr C that he'd been making good returns on his investment. I think this would have added to Mr C's conviction that the investment opportunity was legitimate.

When Mr C phoned NatWest on 9 April 2025 and told it he thought he'd fallen victim to an elaborate scam, he mentioned that NatWest had blocked payments the previous week. He commented that NatWest had started getting suspicious about the payments at the same time as he, himself, started to become suspicious. He mentioned that P was making excuses about why he was unable to withdraw, and was starting to be a bit rude to him, which had aroused his suspicions. But that was after the payments listed in the table above, and I've seen nothing to make me think that Mr C had any doubts about the legitimacy of P at the time they were made.

Of course, I can't be absolutely sure what would have happened if NatWest had probed Mr C in as much detail as I think it ought to have done about the investment. And I acknowledge that it's possible that a phone conversation between NatWest and Mr C would have sown seeds of doubt in Mr C's mind. But even if he'd gone on to look further into P, I don't think he'd have found anything to cause him serious concern.

I acknowledge that the Financial Conduct Authority published a warning about P, but that wasn't until May 2025, a couple of months after Mr C made the payments to the scam.

Taking everything into account, I'm not persuaded, on balance, that a warning about investment scams would have resonated with Mr C such as to put him off making the payments.

*Could NatWest have done more to recover Mr C's money?*

Mr C made the payments by credit card. In some circumstances a bank is liable to a customer under section 75 of the Consumer Credit Act 1974. But section 75 only applies where certain criteria are met. One of those is that there's a "debtor-creditor-supplier" agreement. Put simply, this means that in order to make a successful claim under section 75, Mr C, as the cardholder, would need to have used the card to pay the same company that either breached its contract with him or made a misrepresentation to him. If the payments were made to someone else, there's no debtor-creditor-supplier relationship.

In this case, it was the scammer who contracted with Mr C, or led him to believe that he'd receive shares or other commodities in return for his payments. But Mr C made the payments to two companies, M and D. So I'm satisfied that there wasn't the requisite debtor-creditor-supplier relationship for NatWest to be held liable under section 75.

I've also considered whether NatWest could have made a successful chargeback claim on Mr C's behalf. Chargeback isn't an automatic right, and banks don't have to raise a claim where there isn't a reasonable prospect of success. In this case, I think it's unlikely that Mr C would have been able to provide the evidence needed to make a successful chargeback claim – such as invoices, evidence of a promised delivery and proof of attempts to resolve the issue with the merchant. So I don't think NatWest acted unfairly or unreasonably in not pursuing a chargeback on Mr C's behalf.

I know that my decision will come as a considerable disappointment to Mr C, and I feel for him. I appreciate that he lost a lot of money, and I can understand why he thought the investment opportunity was legitimate. The scam was, as he's commented himself, highly sophisticated. Cases like this can be finely balanced. But for the reasons I've set out, I'm not persuaded that I can fairly hold NatWest responsible for his loss, or require it to take any other action.

### **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 Mr C to accept or reject my decision before 7 January 2026.

Juliet Collins

**Ombudsman**