

The complaint

Mr O complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In October 2021, Mr O says a work colleague of his introduced him to someone promoting a cryptocurrency investment company. This promotor explained to him how the investment worked and the returns he could expect to receive. And after a number of meetings with the promotor and other people connected with the cryptocurrency investment company, Mr O decided to invest. He then made a number of payments over the following seven months to bank account details he was given for the promotor, on the understanding that the promotor would then credit these amounts to his account with the cryptocurrency investment company.

I've set out the payments Mr O made from his NatWest account below:

Date	Amount
11 October 2021	£560
8 November 2021	£560
8 November 2021	£1,000
9 November 2021	£800
13 January 2022	£1,000
14 January 2022	£1,000
17 January 2022	£1,000
17 January 2022	£1,000
26 January 2022	£270
28 March 2022	£30
28 March 2022	£335
25 April 2022	£825

Unfortunately, Mr O didn't receive the returns he was told he would and hasn't been able to withdraw his money from the cryptocurrency investment company's platform. He therefore reported the payments he had made to NatWest as a scam.

NatWest investigated but said it felt this was a high-risk investment Mr O had made and didn't fall within the definition of a scam. So it didn't agree to refund the money he had lost. Mr O wasn't satisfied with NatWest's response, so referred a complaint to our service.

I sent Mr O and NatWest a provisional decision on 9 September 2025, setting out why I didn't intend to uphold the complaint. That provisional decision forms part of this final decision and is copied below:

"In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the

customer 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 customer even though they authorised the payment.

Are the payments Mr O made covered by the CRM code?

NatWest is a signatory of the Lending Standards Boards Contingent Reimbursement Model (the CRM code). This requires firms to reimburse customers who have been the victim of certain types of scams, in all but a limited number of circumstances. But customers are only covered by the code where they have been the victim of a scam – as defined in the code.

The relevant definition of a scam from the CRM code is that the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

And I appreciate that Mr O understood his payments would ultimately be sent on to the cryptocurrency investment company. But he didn't pay the company directly, he instead paid a promotor. So, for the purposes of the CRM code, it is the intentions of the promotor who Mr O actually paid that must be considered to determine whether the circumstances here meet the definition of a scam.

And so in order to determine whether Mr O has been the victim of a scam as defined in the CRM code I need to consider whether the purpose he intended for the payments was legitimate, whether the purposes he and the promotor he paid intended were broadly aligned and then, if they weren't, whether this was the result of dishonest deception on the part of the promotor.

From what I've seen, I'm satisfied Mr O made the payments here with the intention of investing with the cryptocurrency investment company. I think he thought his funds would be invested by the company, and that he would receive returns on his investment. And I haven't seen anything to suggest that Mr O didn't think this was legitimate.

But I'm not satisfied the evidence I've seen shows that the promotor intended a different purpose for the payments, or that Mr O's and the promotor's purposes for the payments weren't broadly aligned.

Even if the cryptocurrency investment company itself was knowingly operating a scam, I've not seen clear evidence that the promotor Mr O paid was significantly involved with the company – beyond promoting the investment. I've not seen anything to show that the promotor knew the company was operating a scam, or that they were knowingly misleading investors about how their payments would be used.

And in the absence of this evidence, I think it's likely the promotor Mr O paid thought the investment was legitimate and was promoting the cryptocurrency investment company as they thought it was genuinely a good investment opportunity and was providing both them and other investors with returns.

So I'm not persuaded that the available evidence is sufficient to safely conclude that the purpose the promotor intended for these payments was different than the purpose Mr O intended. I think they both intended for the payments to be legitimately invested by the cryptocurrency investment company.

And so I don't think the circumstances here meet the relevant definition of a scam, or that the payments Mr O made here are therefore covered by the CRM code.

Should NatWest have done more to protect Mr O when he made these payments?

Although I don't think the CRM code applies to the payments M O made here, the regulatory landscape, along with good industry practice, sets out other requirements for banks to protect their customers from fraud and financial harm. So, in line with this, I think at this time 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 transactions or other signs that might indicate that its customers were at risk of fraud (among 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 made 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've considered whether NatWest should have identified that Mr O was at heightened risk of financial harm from fraud as a result of any of the payments he made here.

But the payments Mr O made here weren't for particularly large amounts, or for amounts I would have expected NatWest to identify as suspicious based on their size alone. Mr O had also made a number of payments out of his account for similar amounts in the previous months, so payments of these amounts weren't out of character for the account. And the payments here fluctuated up and down in size and were made over a period of six months, with gaps of several months between some of them, so I don't think they formed a pattern of behaviour I'd have expected NatWest to identify as particularly suspicious either.

So I don't think it's unreasonable that NatWest didn't identify that Mr O could be at heightened risk of financial harm from fraud as a result of any of these payments. And so I don't think it's unreasonable that it didn't take any further steps or carry out any additional checks before allowing the payments to go through.

I appreciate that Mr O has lost a significant amount of money here and that my decision will come as a disappointment to him. But I can only look at NatWest's responsibilities here and, for the reasons I've set out above, I don't think anything I would reasonably have expected it to have done would have prevented the loss he suffered. And so I don't think it would be fair to require NatWest to refund the money Mr O has lost here."

I said I'd consider anything further Mr O and NatWest submitted following the provisional decision, provided it was received by the deadline given.

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.

Neither Mr O nor NatWest provided any further evidence or arguments to be considered by the deadline given in the provisional decision. I therefore still think the conclusions I set out in the provisional decision are correct, and for the same reasons.

I still don't think the payments Mr O made here are covered by the CRM code, or that anything I would reasonably have expected NatWest to have done would have prevented the loss he suffered. And so I don't think it would be fair to require NatWest to refund the money Mr O has lost here.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 21 November 2025.

Alan Millward
Ombudsman