

## The complaint

Mr K complains NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't refund money he says he lost as part of a scam.

Mr K is supported in making his complaint by a representative, but for ease, I'll refer to Mr K throughout this decision.

## What happened

Mr K has explained that in 2024 he was introduced by a family friend to a company (which I'll refer to as 'M') who said it could help individuals develop their businesses. As part of this scheme, there was an opportunity to invest funds in a social media marketing initiative to promote courses offered by 'M'. As part of this marketing initiative, Mr K was told he'd receive commission.

Mr K decided to invest £25,000 in 'M', £8,000 of which came from his NatWest account, with the remaining funds (£17,000) being paid from an account Mr K held with another bank (which I'll refer to here as Bank M).

Between the 5 and 23 September 2024 Mr K made three card payments from his NatWest account ranging from £1,000 to £5,000. Mr K received commission of £5,500.

Mr K subsequently came to believe he'd been scammed and contacted NatWest. Ultimately, NatWest didn't reimburse Mr K's lost funds, and Mr K referred his complaint about NatWest to our Service. As our Investigator couldn't resolve the matter, the case 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.

Having done so, I've reached the same conclusion as our Investigator, and for largely the same reasons. I'll explain why.

I'm very aware that I've summarised Mr K's complaint and the relevant submissions briefly. No courtesy is intended by this, but I've focussed on what I think is the heart of the matter here.

Therefore, if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider is a fair outcome. Our rules allow me to do this, reflecting the informal nature of our Service as a free alternative to the courts.

I should also point out that whilst being mindful of previous decisions made by the Financial Ombudsman, I review each case on its own merits. And whilst, for background and context, I've considered Mr K's complaint about Bank M, my findings here relate only to the actions of NatWest.

Firstly, I agree with our Investigator that the Contingent Reimbursement Model (CRM) code isn't relevant here as it doesn't apply to card payments. But there are various and longstanding expectations on payment service providers, such as NatWest, to be alert to

fraud and scams and to act in their customers' best interests. So, I've thought about those expectations in relation to Mr K's complaint.

As a starting point, Mr K doesn't dispute that the payments were made in line with his instructions to NatWest. So, under the PSRs and the terms of his account, Mr K is presumed liable for his loss in the first instance.

However, taking into account the regulatory rules and guidance including the Consumer Duty, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for NatWest to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, taking all of this into account, I need to decide if NatWest acted fairly and reasonably in its dealings with Mr K when he made the payments. Specifically, whether it should've done more than it did before processing the payments – and if it had, would that have made a difference. I also need to decide if NatWest could've reasonably recovered the lost funds.

#### Was this a scam?

Whether Mr K has been the victim of a scam is a difficult point to resolve conclusively at this stage – particularly as there are ongoing investigations.

I appreciate that Mr K has provided a substantial amount of information which he says proves 'M' was operating as a scam. But for the purposes of this decision, I don't need to make a finding on that point. Instead, I'm focusing on whether action by NatWest could've prevented Mr K's loss based on the information available at the time he made the payments.

#### Would intervention by NatWest have prevented Mr K's loss?

When considering this point, I've kept in mind that banks such as NatWest process high volumes of transactions each day, and that there's a balance for NatWest to find between allowing customers to be able to use their accounts and questioning transactions to confirm they're legitimate.

The payments towards 'M' were of relatively low value compared to Mr K's previous account activity. Looking back over the previous six months, I can see that he made several payments, to various payees, of between £1,000 and £4,000, as well as payments for £14,000 and £25,000, and £35,000.

Further to that, the payments towards 'M' were relatively spread out, having been made over a period of more than two weeks. And so, I don't think it was unreasonable for NatWest not to have viewed the disputed payments with suspicion.

However, even if I *did* think NatWest should've intervened in the payments, for me to find it fair and reasonable that it should refund the payments to Mr K would require more than a finding that it should've intervened when he made the payments. Crucially, I'd also need to find that but for that failure, the subsequent loss would've been avoided.

That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that proportionate intervention by NatWest wouldn't have revealed any of Mr K's payments were part of a fraud or scam, then I couldn't fairly hold it liable for not having prevented them from being made.

In considering this point I must think about what NatWest could reasonably have established during a proportionate enquiry to Mr K about his payment back in September 2024. I cannot apply the benefit of hindsight to this finding.

I've given the causation point very careful thought and like our Investigator, I don't think the reason Mr K was making the payments would've presented any typical scam risk that I would've expected NatWest to be vigilant against. My opinion here is based on the following:

- NatWest's role would've been to provide fraud and scams advice and warnings – not

financial/investment advice. And I can't see that there was any adverse information concerning the opportunity Mr K was investing money in at the time he made the payments that would've made him (or NatWest) think he was being scammed.

- Mr K has cited numerous reasons why he thought everything was legitimate. This includes potential investors' "*religious beliefs*" being preyed on, and reassurance of the investment when word started to spread through the Muslim community of returns being received.
- I don't think the reason Mr K was paying 'M' (as part of a marketing initiative) would've presented any typical scam risk that I would've expected NatWest to be vigilant against.
- 'M's website could be easily verified, as well as the existence of the courses it offered. Mr K said he found 'M's website to be "*professional*" and carried out his own online checks, finding nothing of concern. He was also convinced of 'M's legitimacy by "*videos and other Muslim influencers*".
- Mr K had signed a contract with 'M' that he thought looked genuine.
- Mr K has said he was introduced to the investment through a family friend who worked for 'M' as a consultant. Mr K has explained that the family friend's "*sole job was to promote the programme and onboard clients*". Mr K also said that he "*had family members who had invested around 10 months earlier and were regularly receiving payments*". And that "*a close family friend had invested and vouched for them*".
- Such was Mr K's belief in 'M' that he borrowed money from family and friends to partly fund the investment.

All this suggests to me that it's more likely than not, on balance, that Mr K would've proceeded with his payments – even if NatWest had alerted him to the possible risks involved and the checks he should make. And if NatWest *had* raised any concerns, then I think it's more likely than not that those concerns would've been allayed by fellow investors.

Taking all this into account, I'm not persuaded, in the circumstances of this complaint, that *any* proportionate intervention from NatWest would've likely prevented Mr K's loss.

#### Did NatWest do enough to try and recover the lost funds?

In terms of NatWest's attempts to recover the lost funds, I agree with our Investigator that NatWest took appropriate steps here; but that was unfortunately unsuccessful.

I have a great deal of sympathy for Mr K given the situation he's found himself in. But it would only be fair for me to direct NatWest to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think NatWest has acted fairly and so I'm not going to tell it to do anything further.

#### **My final decision**

For the reasons given above, 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 K to accept or reject my decision before 26 December 2025.

Anna Jackson  
**Ombudsman**