

## The complaint

Mr S has complained that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY won't refund money he lost to a scam.

## What happened

Mr M has said that on 10 March 2024 he used a credit card he held with NatWest to make a payment to a money transfer service which I will refer to as M. Mr S believed he was purchasing a airline ticket. Mr S received what he thought was an e-ticket but when he made further enquiries with the airline and agent there was no record of the flight. The payments appeared on Mr S' credit card account as follows:

<b>Date</b>	<b>Payment Type</b>	<b>Amount</b>
10 March 2024	Credit Card	£479.99
12 March 2024	Credit Card	£14.40
	<b>Total</b>	<b>£494.39</b>

Mr S contacted NatWest to ask it to recover the funds. NatWest stated it was unable to do so via chargeback or a Section 75 claim as the money didn't go directly to the provider of the airline ticket.

Mr S remained unhappy and referred his complaint to our service. Our investigator looked into his complaint, but he didn't recommend it be upheld. To summarise he said the transactions wouldn't have stood out as being uncharacteristic or suspicious as such he wouldn't have expected NatWest to have intervened. He summarised by explaining that NatWest rationale for not being able to recover the funds was fair and reasonable. Mr S didn't agree, so he asked for the complaint to be passed to me to consider.

## 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 agree with the investigator's findings for broadly the same reasons, I will explain why.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. It isn't disputed that Mr S knowingly made the payments from his account. And while he has disputed the second payment on 12 March 2024, I am satisfied this is the fee related to the primary transaction of £479.99. This is common practice with money transfer services. Therefore, under the Payment Services Regulations 2017 and the terms of his account, NatWest are expected to process Mr S' requests and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, 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.

The question then arises whether NatWest ought reasonably to have held such suspicions or concerns in relation to Mr S' payments - and if so, what might've been expected from a proportionate intervention at that time.

So, taking all of this into account, I need to decide if NatWest acted fairly and reasonably in their dealings with Mr S when he made the payments. Specifically, whether they should've done more than they did before processing them. I also need to decide if NatWest could've reasonably recovered the lost funds. In Mr S's representations to our service, he has often said comments such as "I'm honest". I want to make it clear to Mr S I don't dispute his version of events, I have empathy for the cruel scam he found himself victim of. But I wanted to outline (as I have above) what I will be taking into consideration in determining if NatWest acted fairly and reasonably, but I don't doubt the testimony he has provided.

While I accept that the amount of money Mr S sent was clearly significant to him, this doesn't in itself suggest a heightened risk of fraud. Bearing this in mind, and having considered the circumstances of this case, I'm satisfied it wouldn't be reasonable to expect NatWest's systems to have been triggered by the payments in dispute. I say this because, the amounts in question were for £479.99 and £14.40. So, neither amount was remarkably large or significantly uncharacteristic of Mr S' usual spending. I have also considered the retailer the payments were made to; and there were no suspicious circumstances surrounding this either. Consequently, I don't think NatWest could reasonably have known that these payments were subject of a scam, which is the first point I have to consider. The payments were not significant enough to have triggered its systems; nor were there sufficient grounds to justify delaying the payments.

It's important to note that there is a difficult balance to be struck between firms identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. Of course, we need to consider that spending habits change, unusual needs arise, and it will be impossible to prevent all fraud without significant number of genuine payments being delayed considerably and inconveniently.

So, overall, I agree with the Investigator that I wouldn't have expected NatWest to have intervened here. The value of the payment didn't look particularly unusual or out of character and in the context of the transactions NatWest process every day the payment wasn't high in value. And I don't think there was anything else about the circumstances of the payment which ought to have caused NatWest to be sufficiently concerned about a scam risk that it ought to have intervened with a warning, or by contacting Mr S directly. So, I can't conclude NatWest ought to have done anything else to prevent Mr S from making the payment.

#### Chargeback

Each card scheme has a chargeback process for which it sets its own rules. A chargeback isn't a legal right for customers, but something voluntarily offered by each scheme. Not all claims submitted by a customer to their bank will be raised as a chargeback. There must be a reasonable prospect of success. So, I wouldn't have expected NatWest to raise a chargeback if it was unlikely to be successful. Based on the available evidence this does not look like a claim that would have been successful.

Mr S made the payment from his NatWest credit card to M. M facilitated the transfer to a designated recipient. So, if nothing else, the payee had performed the action it was

contracted to do. So, I am satisfied it was reasonable for NatWest not to have initiated a chargeback claim. It is likely that any such request would have been declined as M fulfilled its obligation by providing the service requested of it.

#### Section 75 of the Consumer Credit Act

Unfortunately, the transaction made by Mr S doesn't benefit from the protection offered by section 75. I can understand why Mr S would think it should, and he may have even deliberately made the payment by credit card with such protection in mind.

The issue lies in the relationship between the parties involved. For there to be a valid claim under section 75 there must be an unbroken debtor-creditor-supplier relationship and any breach of contract or misrepresentation must be linked to that relationship.

Mr S is the debtor and NatWest is the creditor. They clearly have a pre-existing relationship in the form of customer and credit supplier. But the supplier that has been contracted with here is M. That is the party that has been paid, and that's what establishes the relationship. There is no connection to the supposed travel agent here. Mr S might have entered into an agreement for the purchase of flights, but NatWest can't be said to be a party to that agreement in respect of the debtor-creditor-supplier relationship. And so, the requirements aren't met.

In terms of the debtor-creditor-supplier relationship that might be said to exist – between Mr S, NatWest and M– the contract can only be said to have been fulfilled. The money transfer service received an instruction to send on funds, and it did so. And so, any section 75 claim against it for breach of contract would fail. And I say 'might' here, because it could be argued that Mr C never actually contracted with the money transfer service, and so doesn't have a relationship with it. Whichever way the money transfer service's involvement is viewed, there isn't a valid section 75 claim.

I know Mr S was unaware of M's involvement. And so, it will no doubt feel unfair that is the relevant relationship to be considered. But this is an essential consideration on the application of section 75. And Mr S' not knowing of the merchant's involvement doesn't overcome the lack of required relationship.

So unfortunately, I won't be asking NatWest to do anything further.

#### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 December 2025.

Jade Rowe  
**Ombudsman**