

The complaint

S, a limited company, has complained National Westminster Bank Public Limited Company did nothing to identify and stop a fraudulent payment being made to one of their customer's accounts.

What happened

S operates overseas as a brokerage company and holds an account there with a bank that I'll refer to as C.

In January 2024, S was in email correspondence supposedly with someone who'd been selling a boat (Mr B). S had been acting as Mr B's agent and was in receipt of the funds following the sale. They'd been sent account details for a UK-based account, as Mr B was based here. On 16 January S sent €108,000 to the seller using Mr B's details, as well as his international bank account number on the international payment. The destination of these funds was NatWest.

By 24 January S had become aware that Mr B had not received the agreed funds as they'd not gone to his account. They tried through C to get NatWest to reimburse them. €166 was returned by NatWest as those were the only funds remaining in their customer's account.

Using a representative, S lodged a complaint against NatWest as a recipient bank and asked them to refund the money they'd lost. NatWest confirmed they'd not done anything wrong.

S didn't accept this and have asked the ombudsman service to pursue their complaint.

Our investigator reviewed the evidence NatWest provided about their customer who had received S's money fraudulently. He wondered whether NatWest had missed an opportunity to identify this payment as fraudulent but felt there wasn't necessarily anything they could have done which would have resulted in S not losing out.

He wasn't going to ask NatWest to do anything further.

S didn't accept this outcome and have asked their complaint to be referred to an ombudsman.

I completed a provisional decision on 22 January 2026. Like our investigator, I felt NatWest should have done more but crucially I also believed this would have made a difference. I asked NatWest to refund S for their losses.

S accepted this outcome. NatWest asked for an extension to consider their response. This extended deadline passed on 19 February. Despite asking NatWest for any final comments, this service has received nothing further from them.

I now have all I need to complete my final 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 outcome as I did in my provisional decision. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

To help me come to a decision, I've reviewed the evidence provided by S explaining the process whereby they received bank account details over email purporting to be from someone they knew they needed to pay. I confirm that S was the victim of a sophisticated scam, and it would have been difficult for them to identify that a scam was happening. I note specifically that Mr B wasn't aware that his emails had been intercepted.

I've also had the benefit of NatWest's evidence showing how their customer set up their account and what they knew about that customer's account behaviour. Their customer set up a business account in December 2023.

I believe NatWest should have been able to identify and stop the payment of £91,766.90 received by their customer on 17 January 2024. I say this because:

- When the account was set up, there appears to be nothing within the evidence shared by NatWest about expected business turnover. There also seems to be no information about the business this customer (who definitely wasn't Mr B) was involved in. Usage of this account until January had been practically non-existent with only two low-value transactions being made. Only one of these was a credit and was for only £50. I'm not convinced this reflects any indication of economic activity. I have taken into account the fact that this accountholder had only been set up as a limited company a month before they opened their business account with NatWest.
- A payment for £91,766.90 credited this business account on 17 January. NatWest should have been able to identify this as highly unusual and would have – I believe – needed to complete regulatory checks required for payments of such high-value with no history of this type of activity. I say this because NatWest would have known this was an incoming international payment. It's also high value by any measurement. And if they had undertaken any check they would have noticed the business, S, that was sending this money and the type of business they were involved in. They would have noticed the payment was being sent to an account in the name of a Mr B, who wasn't actually NatWest's customer. Here I accept that there is no automated confirmation of payee check on incoming international payments.
- There then followed a series of card transactions carried out by NatWest's customer within the next two days. I can see that NatWest did check these transactions, but only to ensure that their customer was genuinely making these, which from the transcript provided I can see was obviously the case. Within 48 hours £70,000 was spent, and the remaining funds were practically drained from this account by 22 January. This should look odd by any standard.

- I've also reviewed this customer's details and what NatWest knew of this company. It seems to me – although it would be unfair to confirm these details here – that there were a couple of aspects on file which should have alerted NatWest to potential issues, apart from the absence of business information as mentioned above.

Whilst it is not our service's role to tell banks how to manage fraud claims, it is clear here that if NatWest's processes had been as could be expected, then the funds that credited the beneficiary account on 17 January would have been identified and stopped in time to avoid them being spent.

Like our investigator I have considered what actions NatWest could have taken and whether these would have made any difference. I have come to a different conclusion.

I believe NatWest would have questioned their own customer to assess their entitlement to these funds. In my experience it's not unusual for a fraudster to avoid these questions from their bank totally. And I consider there would have been sufficient questions raised – even if the fraudsters had been able to provide a fraudulent invoice – for NatWest to undertake a business review into the account-holding of their customer. I have to wonder whether NatWest would have fallen for the supply of a fraudulent invoice.

Any review carried out by NatWest may well have taken time and may not have been completed within a week. This would have meant by this time S would have altered C to being a victim of a scam.

I have considered whether S's own actions played a role here in deciding what proportion of the money S lost that NatWest should repay. However, I can see nothing that they could have done differently. Unlike cases within the UK, S were unable to carry out a check on the name of the person they were paying.

Despite the money that S sent to the NatWest account being over £90,000, I can see that subsequently S provided Mr B with a different amount as part of an agreed settlement. I've seen the contract about this and the payment confirmation from 24 April 2024. This payment was for €89,990. I also note that €166 was refunded to S. Therefore, I will be asking NatWest to repay €89,824 as this accurately reflects S's final loss.

My final decision

For the reasons given, my final decision is to instruct National Westminster Bank Public Limited Company to refund €89,824 to S.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 25 March 2026.

Sandra Quinn
Ombudsman