

The complaint

Mr O complains National Westminster Bank Public Limited Company (“NatWest”) didn’t do enough to protect him when he fell victim to a scam or recover his funds.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the key details here.

Mr O used his credit card to make two payments totalling £853.33 for a holiday with a legitimate travel agent but via a third party. When Mr O arrived at the airport, he realised he had been scammed as there was no booking in his name with the airline or hotel. The third-party had made bookings in another name.

Mr O complains that NatWest initially reimbursed him but later re-debited the funds from his account without informing him. NatWest said it raised a chargeback which involved a temporary reimbursement of the disputed funds. It said the merchant, the travel agent, had successfully defended the chargeback, so it re-debited his account. NatWest said Mr O was informed the reimbursement was temporary.

Mr O complained to NatWest and it didn’t uphold his complaint. Unhappy with NatWest’s response he referred the matter to the Financial Ombudsman Service. One of our Investigators looked into the complaint and also didn’t uphold it.

As an agreement could not be reached, the complaint has come to me to decide.

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.

I’m sorry that Mr O has been the victim of a scam. I realise he’s lost a meaningful some of money and I don’t underestimate the impact this has had on him at an already very difficult time. And so, I’d like to reassure Mr O, that I’ve read and considered everything he’s said in support of his complaint. But I’ll focus my comments on what I think is relevant. If I don’t mention any specific point, it’s not because I’ve failed to take it on board and think about it, but because I don’t think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mr O but having done so, I won’t be upholding his complaint for broadly the same reasons as our Investigator. I’ll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Service Regulations and the terms and conditions of the customer’s account.

Mr O authorised the payments in question here – so even though he was tricked into doing

so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, NatWest should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interest, they can't reasonably be involved in every transaction.

I've thought about whether NatWest acted fairly and reasonably in its dealings with Mr O when he made the payments, or whether it should have done more than it did. In doing so I've considered what NatWest knew about the payments at the time it received Mr O's payment instructions and what action, if any, NatWest took prior to processing the payments.

I don't think the payments were of an unusually excessive value that it ought to have caused NatWest to be concerned that Mr O was potentially falling victim to a scam. The payments were to a legitimate merchant which won't have caused NatWest to be suspicious. I therefore don't think it was unreasonable for NatWest to have processed the payments in-line with his instruction to do so.

I've thought about whether there's anything else NatWest could have done to help Mr O – including if it took the steps it should have once it was aware the payments were the result of fraud.

After the card payments were made, the only potential avenue for recovery of the payment would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. NatWest is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to a chargeback, I consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply. Unfortunately, the chargeback rules don't cover scams.

NatWest raised a chargeback for each payment on the basis that Mr O didn't receive the service he paid for, however they weren't successful. Unfortunately, as the chargeback rules don't cover scams, I wouldn't have expected a successful claim.

To Mr O's point that NatWest didn't tell him the refund he received was temporary. NatWest said it informed Mr O of the chargeback process by email, but it hasn't been able to provide our service with the email. While I appreciate it would have been frustrating for Mr O to have had the funds re-debited from his account without realising, I don't think this warrants compensation or a refund of his lost funds as I'm not persuaded it impacted the outcome of the claim.

There also cannot be a valid Section 75 claim as there was no contract between Mr O (the debtor) and the travel agent (the supplier), which is required for a valid Section 75 claim.

I'm sorry to disappoint Mr O further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think NatWest needs to refund Mr O's money or pay any compensation. I realise this means Mr O is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against National Westminster Bank Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 5 March 2026.

Charlotte Mulvihill
Ombudsman