

The complaint

Mrs H complains National Westminster Bank Public Limited Company (“NatWest”) hasn’t refunded funds she says she lost as the result of a scam and is unhappy with the service provided when she reported the scam.

What happened

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

Mrs H said she saw an investment opportunity advertised online which was supposedly endorsed by a celebrity, she clicked the link and called the number provided. Mrs H said she was contacted by someone we now know to be a scammer. She told us the investment was on the stock exchange, and she invested £200, which she paid with a provider other than NatWest. Mrs H said her investment grew and the scammer told her about another opportunity which she decided to invest in and having seen her investments grow, encouraged her to invest further.

Mrs H told us she made payments from her account with NatWest to accounts in her name that she held with other firms, she said she moved the funds on further which were then lost to the scam.

Mrs H said her funds were blocked and she was told she needed to pay various fees and taxes which she found suspicious and after speaking with her daughter she approached Action Fraud believing she had been scammed.

Mrs H complained to NatWest, and her complaint regarding the disputed payments wasn’t upheld. NatWest agreed with Mrs H that the service she received when reporting the scam fell short. It apologised; said it would provide feedback and said it sent Mrs H a shopping voucher for £120.

Unhappy with NatWest’s response, Mrs H raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t think the payments ought to have concerned NatWest. They said they thought it was fair for NatWest to make a payment of £120 to Mrs H in place of the voucher it previously sent. This was accepted by NatWest as the voucher hadn’t been cashed, but hasn’t yet been paid.

As an agreement could not be reached, the complaint has been passed to me for a 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.

Mrs H has raised other complaints with us related to this scam which I am aware of, where necessary I'll comment on evidence provided on those complaints which is relevant to Mrs H's complaint against NatWest.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm sorry that Mrs H has been the victim of a scam. I realise she's lost a significant sum of money, and I don't underestimate the impact this has had on her. However, just because a scam has occurred, it doesn't mean she's automatically entitled to recompense by NatWest. It would only be fair for me to tell NatWest to reimburse Mrs H for her loss (or a portion of it) if I thought NatWest ought reasonably to have prevented all, or some, of the payments Mrs H made, or if I believed NatWest hindered the recovery of the payments Mrs H made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

In broad terms, the starting position at law is NatWest are expected to process payments and withdrawals that a customer authorises it to make. I appreciate that Mrs H didn't intend for her money to end up in the hands of a scammer but as she authorised the payments in question here under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. However, there are some situations when NatWest should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - NatWest should fairly and reasonably:

- Have been monitoring accounts to counter various risks, including 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, take additional steps, or make additional checks, before processing a payment, or in some cases decline it altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to NatWest that Mrs H might be at a heightened risk of financial harm from fraud.

I'm not persuaded that the payments either individually or when considered in combination would have suggested to NatWest that Mrs H was at risk of financial harm from fraud. Given the payments were being made to an account in her own name I don't think the payments were of an unusually excessive value that it ought to have caused NatWest to be concerned that she was potentially falling victim to a scam. The payments were sufficiently spaced out

over several days, and where payments were made on the same day I don't think the combined value would have been a concern. So, I don't think the payments were suspicious in nature, nor had a known fraud trend emerged, to suggest to NatWest that Mrs H was at a heightened risk of financial harm from fraud. I therefore don't think it was unreasonable for NatWest to process the payments in-line with her payment instructions.

Although I don't think the payments suggested Mrs H was at risk of financial harm from fraud such that NatWest ought to have intervened, NatWest told us it did for some of the payments, so I'll outline, and comment on, those interventions.

NatWest said it held a payment Mrs H made prior to processing it but failed to speak with Mrs H that day, she called the following day and the payment was discussed. NatWest told Mrs H the payment was deemed high risk and as a result it needed to ask her some questions about the payment. In summary Mrs H said she was making the payment to an account she held elsewhere which she opened of her own accord. Mrs H explained the firm offered a good interest rate on a savings account, but the customer had to have a current account to qualify and that's why she was moving her funds. NatWest advised Mrs H check the details of her new account were correct directly with the bank in case the correspondence had been intercepted by a scammer. The payment was rejected, and it was suggested Mrs H made a smaller payment to ensure it arrived in the new account before making any large payments. I think NatWest's actions and suggestion was reasonable in the circumstances. Mrs H did this and NatWest processed the smaller payment but held the larger one that followed.

In summary during this call, Mrs H reiterates she's moving the funds to a new current account and intends to move them again to a savings account with the same firm that has a better rate for savings. She said she found it via a subscription with a legitimate consumer money saving advice expert and after further research decided to open the accounts and transfer her funds. When asked Mrs H said nobody was pressuring her, telling her to move funds or telling her to give NatWest false information. Mrs H was given scam advice including a safe account scam warning, given the circumstances of the payment as explained by Mrs H, her moving funds to a new account, I think this warning was appropriate. I therefore believe the intervention was proportionate and it was reasonable for NatWest to process the payment in-line with Mrs H's instructions to do so.

As explained, I don't think the payments suggested Mrs H was at risk of financial harm from fraud and where NatWest did intervene the actions it took were reasonable in the circumstances. I'm not persuaded that if it had intervened on any other payments that Mrs H would have disclosed the true nature of the payments, being for an investment, and as a result the scam wouldn't have been uncovered.

I've also thought about the Contingent Reimbursement Model which NatWest is a voluntary signatory of. The code doesn't cover payments made to an account in the customer's name and so isn't relevant here.

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

The payments were made to accounts in Mrs H's own name and her testimony is clear that the funds were subsequently moved on before being lost to the scam. I therefore don't think NatWest could have recovered her funds.

NatWest offered £120 as it agreed with Mrs H that the service she received when she reported the scam fell short. I agree that the service provided wasn't of the standard a

customer should reasonably expect. I think £120 is fair for the additional distress this will likely have caused her at an already difficult time. NatWest originally offered a voucher which Mrs H said she didn't receive, and NatWest acknowledges it hasn't been used. I agree with our Investigator that paying £120 rather than a voucher is fair, which NatWest has agreed to do.

I'm sorry to disappoint Mrs H 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 Mrs H's money or pay compensation above what has already been offered. I realise this means she's out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably require NatWest to reimburse her losses.

My final decision

National Westminster Bank Public Limited Company has already made an offer to pay £120 compensation to settle the complaint, and I think this offer is fair in all the circumstances.

So, my decision is that National Westminster Bank Public Limited Company should pay Mrs H £120.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 2 January 2026.

Charlotte Mulvihill
Ombudsman