

The complaint

Ms W, on behalf of her business A, complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") did not recover or reimburse the funds she lost to a scam.

What happened

On 5 October 2021 Ms W sent £5,000 to a company I will refer to as X from A's business account and this was a deposit for the construction of a conservatory. Ms W says the conservatory was not completed and she was unable to get back in contact with X after she was promised a refund. She felt she had been the victim of a scam and contacted NatWest to raise a chargeback claim in February 2022.

NatWest says a chargeback claim was raised but they needed additional information to proceed. They asked for this information on a number of occasions and while Ms W did eventually respond, the information she provided was not sufficient to proceed with the claim.

Ms W contacted NatWest again in 2025 to raise another chargeback claim. But NatWest explained the time limit to raise this of 120 days had elapsed. They also did not think they had made an error in the circumstances so did not agree to reimburse A.

Ms W referred A's complaint to our service and our Investigator looked into it. They felt NatWest had acted reasonably when it attempted to carry out the chargeback claim but was unable to continue based on the information Ms W provided. And they did not think the payment of £5,000 was unusual enough to warrant an intervention from NatWest prior to it being processed. So they did not think NatWest needed to reimburse Ms W in the circumstances. They put forward an offer NatWest had made to pay Ms W £100 compensation for incorrect information included in their final response letter.

Ms W did not agree with the findings. She maintained that the payment was unusual and that she had been scammed by X. She sent in a number of reviews from individuals who agreed they had also been scammed by X and she asked for a minimum of £1,950 to settle the complaint.

As an informal 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.

Firstly, I would like to set out that the payment of £5,000 is not covered by the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code because it is a card payment, which does not fall under the protection of the Code.

In deciding what's fair and reasonable in all the circumstances of a complaint, 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 be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Ms W authorised the payment in question as she believed it was part of a legitimate deposit for a conservatory. So, while I recognise that she didn't intend the money to go to scammers, the starting position in law is that NatWest was obliged to follow Ms W's instruction and process the payment. Because of this, A is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether NatWest did enough to try to keep A's account safe.

In doing so, I have considered whether the payment of £5,000 was particularly unusual or suspicious when compared to A's genuine account activity. On balance, I do not think the £5,000 payment was significantly out of character for the account. A had previously made card payments of similar or higher values, so the value itself was not unusual. And there was only one payment made to X, so I don't think there was a sudden flurry of unusual payments. Finally, I also have to consider that the payment was made from a business account, which generally speaking deal with higher individual transactions than personal accounts. All of this leads me to think it was reasonable that NatWest did not intervene in the payment of £5,000. It follows that I do not think NatWest missed out on an opportunity to meaningfully reveal the scam in the circumstances.

In 2022, Ms W raised a chargeback claim for the payment of £5,000. The chargeback scheme is voluntary and run by the card issuers and not NatWest. Its purpose is to resolve disputes between merchants and consumers. In this case, NatWest did begin the process of a chargeback claim but needed some additional information from Ms W before it could proceed. It asked for this information on 16 February 2022, 13 March 2022, 21 March 2022 and 19 April 2022.

On 3 May 2022, they did receive some additional documents from Ms W but the invoice she provided showed the wrong expected delivery date, and the refund proof was not sufficient for chargeback rights. Because of this, NatWest correctly advised they were unable to assist further as there was no breach of contract. I can see Ms W attempted to raise a further chargeback claim in 2025 but unfortunately the time-limit to do so had elapsed by that time.

On balance, I think NatWest acted reasonably when it attempted to process the chargeback claim initially, and when it explained it could not continue based on the information it had been provided.

NatWest did offer Ms W £100 compensation for the incorrect information it had included in its final response letter, in which it said the payment was covered by the CRM Code. Overall, I think this offer is fair and reflects the level of distress and inconvenience this information caused.

My final decision

I do not think NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY needs to reimburse A with the £5,000 card payment made to X.

NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY should now pay A the £100 compensation for the incorrect information included in the final response letter.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or

reject my decision before 19 January 2026.

Rebecca Norris
Ombudsman