

The complaint

Miss B complains that National Westminster Bank Plc ('NatWest') won't reimburse funds she lost to fraud.

Miss B is also unhappy that NatWest restricted her account while it carried out an investigation.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In June 2025, NatWest froze Miss B's accounts due to a notification from a third-party bank that her account had been in receipt of fraudulent funds. NatWest investigated the report, which included asking Miss B to account for the payments she had received.

Miss B initially told NatWest that she didn't recognise the payments in dispute. But she later changed her testimony, disclosing that she herself has been the victim of fraud when attempting to purchase a car.

She said that she allowed payments into her credit card account by a third-party after paying them in cash for the vehicle. These funds were then forwarded on to accounts held by the fraudster. There was however one payment into Miss B's credit card that she didn't recognise, and she allowed this to be returned to the sending party.

NatWest looked into Miss B's concerns and accepted her fraud claim. It reimbursed her the transactions disputed, along with the fees incurred on her credit card. But it deducted the credits that were received into Miss B's credit card account that funded those payments.

Miss B remained unhappy with that outcome, so she referred her complaint to our service for an independent review. An Investigator considered the complaint but concluded that NatWest had acted fairly. In summary, that was due to Miss B not being able to prove entitlement to those funds.

Miss B disagreed with that assessment, so the matter has now been passed 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.

There is no longer any dispute regarding the payments Miss B made from her NatWest bank account. NatWest has accepted these payments as fraud and has recovered some of the funds sent on. It has also reimbursed Miss B the associated fees incurred on her credit card from the cash advances made.

What is in dispute here is the deductions to that reimbursement NatWest has made for the

credits that were paid into Miss B's credit card account. These credits funded the transactions reported as fraudulent by Miss B.

The amounts in dispute are as follows:

Payment no. and date	Amount	Payment type
1. 4 June 2025	£1,330	Faster payment in
2. 3 June 2025	£900	Faster payment in
3. 3 June 2025	£1,950	Faster payment in
4. 3 June 2025	£4,900	Faster payment in
5. 30 May 2025	£4,950	Faster payment in

Payment 1

Miss B has already admitted that she doesn't recognise this payment. She hasn't claimed it belongs to her, so it is reasonable that NatWest returned this to the source.

Payments 2-4

NatWest received confirmed fraud reports from the sending bank regarding these payments. Miss B has been provided ample opportunity to evidence her entitlement to these funds. But as she paid the fraudster the equivalent funds in cash, she has been unable to do so. She has also been unable to provide our service with any evidence she withdrew these amounts, obtained them from employment, or that they were given to her by a third party.

Considering this, it is reasonable that the funds are returned to the account that has reported the payments as obtained fraudulently. Miss B has been unable to provide any substantive evidence she has a rightful claim over the funds.

Payment 5

NatWest has refused to reimburse Miss B this amount as:

- Miss B had other payments made into the account that she either did not recognise or that were reported as fraudulent.
- Miss B has been unable to provide proof of entitlement, such as evidence she paid these funds in from her own account.
- Miss B has provided conflicting testimonies regarding the events that had occurred, placing doubt over her claim that these funds legitimately belong to her.

Having considered these points carefully, I agree with NatWest that it would not be reasonable to reimburse Miss B this payment.

Regulated financial businesses, such as NatWest, must comply with UK legislation and regulations when dealing with payments it suspects are the proceeds of crime.

Here, NatWest had evidence that three of the credits paid into Miss B's account were obtained by fraud. Miss B had also confirmed that another payment she received wasn't hers. This raised well-justified suspicions regarding the usage of her account and entitlement

to funds that had been paid in that day.

Miss B has been inconsistent with her testimony, originally reporting she didn't recognise the payments made. She later told NatWest that she was the victim of a fraud herself and had allowed a third-party access to her NatWest account believing this was for legitimate purposes. This does place some doubt over the reliability of Miss B's testimony.

Miss B has also been unable to provide our service with any evidence of the fraud she says she was victim of. She has provided two screenshots of messages exchanged with a third-party. These messages only show Miss B appearing to question the third party about restrictions that were placed on her account and responses instructing her on what to do. Miss B has been asked for the full message history to give some context around the messages; however, she has not provided these.

Further, Miss B has been unable to evidence her entitlement to the funds paid in to her account. Her testimony regarding this has also been inconsistent. In evidence she has provided, Miss B claims that she herself paid this payment to her account. But she has been unable to evidence the payment made or where it is from. In written testimony, Miss B has suggested that she paid the equivalent funds in cash to the fraudster, and it was then the fraudster who paid the funds in to her account. But again, Miss B has been unable to provide any evidence in support of this.

For these reasons, I am not persuaded that Miss B is entitled to the funds related to this payment. It is therefore reasonable that NatWest has deducted this amount from her reimbursement.

Account restrictions

While Miss B's primary complaint is regarding the reimbursement of the funds I have listed above, she has also made comment regarding the restrictions applied to her account while NatWest investigated the fraud claims raised.

I have already commented above that regulated financial businesses must comply with UK legislation and regulation when dealing with suspicions or confirmed reports of financial crime, including money laundering. NatWest also sets out in its terms and conditions that it may suspend or restrict the use of an account if it reasonably suspects that the account is being used for illegal purposes.

NatWest placed restrictions on Miss B's account when it received reports of fraud. That was a reasonable action considering NatWest is obliged under law and regulations to ensure its accounts are not used to launder the proceeds of crime.

NatWest reached out to Miss B in order to provide her with an opportunity to explain the activity on her account. And Miss B did contact NatWest and explain she didn't recognise those payments.

I don't find that NatWest's actions were unreasonable here. It had received a confirmed report of fraud and placed restrictions on Miss B's account until it could establish her complicity in the allegations made. It was also required to prevent any further use of that account to eliminate the risk of subsequent payments being made relating to fraud.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 30 January 2026.

Stephen Westlake
Ombudsman