

The complaint

A company, which I'll call "L" complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) is refusing to refund the amount it lost as the result of a scam.

Mrs Z, who is a director of L, brings this complaint with the assistance of professional representatives.

What happened

The background of this complaint is well known to all parties, so I won't repeat everything here. In summary, L found details online for a company that offered to support businesses with expanding abroad. I will refer to this company as "F".

L has advised it carried out checks into F before deciding to use its service. L advised it was provided with contracts and invoices in relation to the work F would be doing. L also advised the people it had been dealing with, (the scammers) seemed professional and knowledgeable. F had agreed to introduce L to various investors to help with its expansion and advised it would refund L's funds if things went wrong. As a result, L sent three payments totalling £29,175 between January and March 2024.

The scammers stopped communicating with L and it realised it had been scammed.

L raised a complaint with NatWest. It didn't think it had done anything wrong by allowing the payments to go through. It advised that L hadn't done sufficient checks before sending the payments and it didn't think it should be held liable. L remained unhappy, so it brought the complaint to our service.

An Investigator looked into the complaint but didn't think it should be upheld. The Investigator didn't think the payments made were unusual so they didn't feel NatWest should have identified a scam risk. L didn't agree. It said in summary, that L did make large payments from its account, but the disputed payments were sent internationally to a new payee, so they carried an increased risk which NatWest should have identified. L thought that if NatWest had questioned it on the payments, it would have discovered the scam.

As no agreement could be reached, the case was passed to me for a 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.

I'm sorry to learn what happened to L, but I'm not upholding this complaint - for broadly the same reasons as the Investigator.

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 focussed on what I

think is the heart of the matter here. If there's something I have not mentioned, it isn't because I have ignored it. I haven't. I'm satisfied that 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.

In broad terms, the starting position at law is that a bank such as NatWest is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that between January and March 2024 NatWest should:

- have been monitoring accounts and any payments made or received 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 firms are generally more familiar with than the average customer;
- 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;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

Taking the above into consideration, in this case, I need to decide whether NatWest acted fairly and reasonably in its dealings with L when these transactions were made, or whether it should have done more than it did.

I've kept in mind that banks such as NatWest process high volumes of transactions each day. There is a balance for NatWest to find between allowing customers to be able to use their accounts and questioning transactions to confirm they're legitimate.

I've reviewed L's account statements, and I don't think that the payments made to the scam should have looked particularly unusual or suspicious to NatWest. I'm satisfied that the payments were reasonably in line with other payments L had made from its account in the months before the scam. L had previously made payments of the same amount and higher, and the scam payments just wouldn't have reasonably stood out in my opinion as suspicious or otherwise remarkable given the prior account history. So, in the circumstances I wouldn't have expected NatWest to question the payments before releasing them.

I've also thought about the fact the payments were sent to a new payee and sent internationally. However, I don't find that a payment to a new payee is in itself suspicious enough to mean that NatWest should have considered that L was at risk of financial harm and contacted it before it made the payments. Making payments internationally in isolation of

any other obvious red flags is not unusual. It's also not uncommon for a business customer to send payments to new payees. Overall, the scam payments didn't escalate rapidly in value, frequency or in a pattern that could indicate a scam was taking place.

Mrs Z advised that NatWest spoke with L's other director about one of the payments, but the call wasn't about any fraud risks it had identified. NatWest have not been able to locate any calls around the time but taking all the circumstances into account here, I don't think it was unreasonable for NatWest not to have carried out any additional checks or given an additional warning before processing the payments. So, I've not found that NatWest ought to have done any more to prevent the scam payments L made.

I understand that Mrs Z was experiencing some difficult circumstances at the time of the scam. I'm sorry to learn about this, but I can't say that NatWest was or should have been aware of this or made any special adjustments at the time the transactions were made.

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether NatWest could have done more to recover the funds after L reported the fraud. In my experience, the prospect of recovering money that has been sent to another country is very low. The scam was not reported to NatWest for several months and usually scammers will remove funds within a short period of time to stop a bank from putting a hold on the money.

NatWest has advised that it reached out to the beneficiary account, but it didn't receive any responses. It attempted recovery on a best endeavours basis, so there's nothing further I would have expected it to have done.

It's clear that L was an unfortunate victim of a scam, and I know this outcome will be very disappointing. However, for the reasons I've explained, I don't think NatWest should have done more to prevent L's loss. So, it wouldn't be reasonable for me to ask NatWest to refund the payments L made.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 12 January 2026.

Aleya Khanom
Ombudsman