

## The complaint

Mr S complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) won’t refund the money he lost as the result of a scam.

## What happened

In 2021 a family friend told Mr S about an investment opportunity with a company (“H”) which was offering attractive returns. Mr S decided to take up the opportunity. H communicated with Mr S by email. It provided him with training via webinars.

Mr S made the following payments by faster payment from his account with NatWest to an account in his own name at C, a well-known cryptocurrency exchange:

	<b>Date</b>	<b>Amount</b>
1	30 November 2021	£5
2	30 November 2021	£70
3	30 November 2021	£3,245
	<b>Total</b>	<b>£3,320</b>

He then transferred the cryptocurrency out of his account with C to an account on H’s investment platform. Unfortunately, the investment ultimately turned out to be a scam.

Mr S says he was new to this type of investment, and he believed the opportunity to be genuine, as he spoke to a few people who had already invested successfully, and had been able to withdraw profits. But when he was unable to withdraw his money, he realised he’d been scammed.

Mr S complained to NatWest in 2025, but it declined to refund the money. Unhappy with NatWest’s response, Mr S brought his complaint to this service.

One of our investigators considered the complaint and thought it should be upheld in part. In summary, he thought NatWest should have spoken to Mr S when he attempted payment 3. And he thought that if it had asked sufficiently probing questions, the scam would have been uncovered, and Mr S wouldn’t have made that payment. But he thought that Mr S should share responsibility for the loss with NatWest. This was, in summary, because the returns promised on the investment were unrealistically high, and he didn’t think Mr S had done enough to check that the investment was genuine. So he said NatWest should refund 50% of payment 3 to Mr S, with interest on the refund.

Following the investigator’s view, NatWest said that based on the evidence submitted, it was willing to offer Mr S 50% of payment 3 plus interest as a gesture of goodwill. That was in line with the investigator’s recommendation. But Mr S asked for an ombudsman’s decision. So the complaint has been passed to me.

## 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've summarised the evidence and arguments using my own words, and in less detail than the parties have provided. No discourtesy is meant by this. If there's something I haven't mentioned, it's not because I've overlooked it. Rather, I've focussed on what I consider to be the key issues, in keeping with our role as an informal dispute resolution service.

NatWest has confirmed that the offer it made following the investigator's view still stands. So I need to decide whether I can fairly require it to do more than it has offered to do.

It's not in dispute that Mr S has fallen victim to a cruel scam, and I was sorry to learn of this. It's also common ground that the payments made to the scam were 'authorised'. Mr S knew he was sending money to his own account with C. So even though he didn't intend the payments to end up with a fraudster, the payments were 'authorised' under the Payment Services Regulations. NatWest had an obligation to follow the payment instructions it received, and Mr S is presumed liable for his loss in the first instance.

The payments were to an account which Mr S held at C in his own name. This means they weren't covered by the Lending Standards Board's Contingent Reimbursement Model. But that's not the end of the matter.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payments were made, NatWest should have been doing the following to help protect its customers from the possibility of financial harm:

- monitoring accounts and payments to counter various risks, including fraud and scams;
- keeping 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) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;
- in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether; and
- being mindful of - among other things – common scam scenarios, how fraudulent practices were evolving (including, for example, the common use of multi-stage fraud by scammers, and the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers when deciding whether to intervene.

There's a balance to be struck. Banks have obligations to be alert to fraud and scams and to act in their customers' best interests. But they can't reasonably be involved in every transaction. Here, the first two payments weren't large enough, either in themselves or compared with the usual spending on Mr S's account, that I think that NatWest ought to have been concerned about the payments. So I don't consider that I can fairly require NatWest to refund any part of the first two payments.

Payment 3, however, was nearly ten times higher than any payment Mr S had made from his account in the preceding 12 months. What's more, it was to a new payee, which was readily identifiable as a cryptocurrency provider. So I think NatWest ought to have realised that Mr S might be at risk of financial harm from fraud. NatWest says that Mr S would have been shown an on-screen warning during the transaction process. But it doesn't have a record of the payment reason that Mr S selected, so it can't confirm which warning would have been displayed. And I've borne in mind that none of the warnings that NatWest has told us might have been shown were sufficiently detailed or specific that I think it likely they'd have resonated with Mr S and broken the spell of the scam.

Taking into account the unusualness of the payment for Mr S, and the risk that ought to have been apparent to NatWest, I consider that it should have spoken to Mr S before releasing payment 3. And if it had asked him suitably probing questions, I think it's likely, on balance, that the scam would have been uncovered.

As I've mentioned above, NatWest has told us that it accepts the investigator's view, and has offered to refund 50% of payment 3. So I need to consider whether it would be fair to require it to refund more than this. And that depends on what, if any, responsibility, I think Mr S should bear for the loss arising from payment 3. In thinking about this, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all the circumstances of this complaint.

Mr S says he'd spoken to a few people who had invested successfully, and had been shown evidence of payouts to investors. So as far as he was concerned, H was a legitimate business.

But Mr S was investing a significant amount of money. And he's acknowledged that the returns he was led to expect seemed too good to be true. In the circumstances, I think it would have been reasonable to expect Mr S to carry out at least some basic independent checks, rather than simply relying on what others had told him.

The Financial Conduct Authority had published a warning about H in March 2021, stating that people should avoid dealing with H, and beware of scams. And similar warnings had been published about H in several other countries. I think it likely that a simple internet search would have revealed these. And although there were some good reviews of H online, there were also reviews warning that H was a scam, and that once money had been paid to it, there were large fees and it was difficult or impossible to withdraw money.

Taking everything into account, I don't consider that it would be fair to hold NatWest solely responsible for Mr S's loss on payment 3. And I think it's fair to share the responsibility for payment 3 equally between Mr S and NatWest.

Finally, I've thought about whether NatWest could have done more to recover Mr S's money. But the payments were made directly from Mr S's account to buy genuine cryptocurrency, and that's what he received in return. So I don't think NatWest could reasonably have been expected to recover the money. And that would have been the case even if Mr S had contacted NatWest sooner about the payments, and even if it had progressed Mr S's scam claim more quickly.

### **Putting things right**

To put things right, NatWest should:

- Refund to Mr S £1,622.50, being 50% of payment 3;

- Add simple interest at 8% per year to the refund from 30 November 2021 to the date the money is refunded.

If NatWest is legally required to deduct tax from the interest, it should provide a tax deduction certificate if Mr S asks for one, so that he can reclaim the tax from HMRC if appropriate.

### **My final decision**

My decision is that I uphold this complaint in part. I require NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to put things right by doing as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 March 2026.

Juliet Collins

**Ombudsman**