

The complaint

Mr O and Mrs O complain that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') won't refund the money they say was lost as the result of a scam.

What happened

In 2023, Mr O saw an advert on a social media site for an investment opportunity with a company I'll refer to as W. Mr O left his contact information and was called about an investment opportunity with a different company that I'll refer to as L.

Mr O says he was dealing with someone who worked for an investment platform, I'll refer to that platform as M.

Mr O and Mrs O made two payments from their joint NatWest account on 11 May 2023 and 12 May 2023, the payments were for £20,000 each and were sent to L.

In July 2024, a liquidator was appointed to L. Mr O and Mrs O didn't receive any returns on their investment and didn't receive their capital back.

Through a professional representative, they raised a fraud claim with NatWest in February 2025. NatWest declined to refund Mr O and Mrs O saying they have a civil dispute with L.

Mr O and Mrs O weren't happy with NatWest's response, so they brought a complaint to our service.

An investigator looked into Mr O and Mrs O's complaint but didn't uphold it. The investigator wasn't satisfied that the evidence supported L being a scam, as opposed to a genuine investment which failed. The investigator also wasn't satisfied that if NatWest had intervened when the payments were made that the loss would've been prevented.

Mr O and Mrs O disagreed with the investigator's opinion and asked for an ombudsman to review their case. Mr O and Mrs O say we haven't considered:

- The implications of FCA warnings that were already in place.
- NatWest's duties in relation to large and unusual payments.
- The possible misrepresentation by L.
- NatWest's broader duty of care outside of the CRM Code.
- Whether NatWest's internal fraud-monitoring procedures were adequate.

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.

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.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

In broad terms, the starting position in law is that NatWest are expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations (PSR's). Here it's not disputed that Mr and Mrs O authorised these payments.

Are Mr O and Mrs O entitled to a refund under the CRM Code?

NatWest are a signatory of the CRM Code, which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams, in all but a limited number of circumstances.

But, the CRM Code does not apply to private civil disputes, such as where a customer has paid a legitimate supplier for goods, services or digital content but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.

The CRM Code defines what is considered an APP scam as, "where the customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent".

In order to decide whether the circumstances under which Mr O and Mrs O made their payments, meets the definition of an APP scam, I need to consider:

- The purpose of the payments and whether Mr O and Mrs O thought this purpose was legitimate.
- The purpose the recipient (L) had in mind at the time of the payments and whether this was broadly in line with what Mr O and Mrs O understood the purpose to be.
- And, if I decide there was a significant difference in these purposes, whether I'm satisfied that was as a result of dishonest deception.

Mr O and Mrs O were making payments to L as part of an investment. I haven't seen anything to suggest they didn't think this was a legitimate purpose.

So, I've gone on to consider what purpose L had in mind and whether it was in line with what Mr O and Mrs O thought.

In reaching an answer on what purpose L had in mind, I've considered the wider circumstances surrounding L, as well as M and the linked companies. The key information is:

- L was set up as a UK company in May 2017. In July 2024 a liquidator was appointed. I haven't seen any evidence that L took Mr O and Mrs O's funds with a different purpose in mind or that their funds weren't used for the intended purpose. This type of evidence is usually available following a police investigation or other forensic accounting review of L's finances – which we haven't been provided with.
- There were FCA warnings about M and a linked entity (which I'll refer to as L2) in

August 2023 for failures regarding systems and controls, and concerns over the levels of due diligence conducted. This warning wasn't in place at the time Mr O and Mrs O made their payments in May 2023. L2 entered into administration in July 2024 and in October 2025 the Financial Services Compensation Scheme (FSCS) declared L2 in default as it couldn't meet the claims made against it. There is no evidence that M or L2 defrauded investors or took their funds with a different purpose in mind. Poor business practices, compliance or management of a company doesn't necessarily mean that the company was operating a scam.

- It appears that there might be a police investigation into L, M or L2. But we haven't received any evidence from the police in relation to charges or convictions for L, M or L2. We also haven't seen any evidence from the administrators or liquidators which shows that Mr O and Mrs O's funds were obtained for a different purpose or through dishonest deception.
- Mr O and Mrs O have referred to misrepresentation by L, in telling investors they were refinancing. But this happened after Mr and Mrs O made their payments and doesn't point to L's intention in May 2023. It's possible that L failed due to financial difficulties, mismanagement or another genuine reason. These reasons wouldn't meet the definition of an APP scam. Also, a misrepresentation wouldn't mean that Mr O and Mrs O's payments are covered by the CRM Code as it doesn't prove that their funds weren't used for the intended purpose.
- It's possible that material new evidence will come to light at a later date, following an investigation by the police or another external organisation. If it does, Mr O and Mrs O can ask NatWest to reconsider their claim.

I'm really sorry that Mr O and Mrs O have lost a significant amount of money, which has seriously impacted their wellbeing and financial position. However, I'm not satisfied that the evidence they've provided shows that L took their funds with a different purpose in mind, or that their funds weren't used for the intended purpose. Because of this, I'm not satisfied they have met the definition of an APP scam, and their payments aren't covered by the CRM Code.

Is there any other reason I could hold NatWest liable for their loss?

There is an expectation for NatWest to be on the lookout for, and to protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character. Where potential fraud is identified, I would expect NatWest to intervene and attempt to prevent losses for the customer.

NatWest also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customers' accounts safe.

I'm satisfied that these two payments were unusual and out of character for Mr O and Mrs O's account, so I would've expected NatWest to have contacted them and asked questions about the purpose of the payments. However, just because NatWest didn't intervene in the way I would've expected, doesn't mean that Mr O and Mrs O are entitled to a refund. I have to consider what I think the likely outcome would've been if they had intervened and whether that would've prevented Mr O and Mrs O's loss.

In this case, I'm not satisfied that I can fairly say it's more likely than not that intervention would've prevented Mr O and Mrs O's loss. I'll explain why.

Mr O and Mrs O made the investment through M, but because M is no longer trading, they're unable to provide the documentation they received about L. So, it's unclear what information

they would've given NatWest. But I think it's more likely than not Mr O and Mrs O would've told NatWest that the investment was recommended by someone who worked for M, which were FCA regulated at the time Mr O and Mrs O made the payments. All of the warnings relating to M and L2, were posted after Mr O and Mrs O made their payments, so wouldn't have been available when NatWest intervened.

I appreciate that this might've been a high-risk investment, but there isn't an expectation on NatWest to assess its suitability for Mr O and Mrs O. The expectation was that NatWest should've asked open and probing questions to identify if Mr O and Mrs O were at risk of financial harm from fraud. And, based on the information available in May 2023, I'm not satisfied I can say it's more likely than not that NatWest would've or should've had concerns. On that basis, I'm not persuaded they could reasonably have refused to make the payments or that they could've prevented the loss for Mr O and Mrs O.

I'm really sorry to disappoint Mr O and Mrs O, but I'm not satisfied that I can fairly hold NatWest liable for their loss or ask NatWest to refund them.

My final decision

My final decision is that I don't uphold this complaint against NATIONAL WESTMINSTER BANK PUBLIC LIMITED.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Mrs O to accept or reject my decision before 11 February 2026.

Lisa Lowe
Ombudsman