

The complaint

Mr C complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY won't refund money he lost when he was the victim of a scam.

Mr C has been assisted by a family member in bringing his complaint to the Financial Ombudsman but, for ease of reading, I'll refer to Mr C only.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr C was contacted by an individual that we now know to be a scammer (who I'll refer to as 'L') on an instant messenger app querying the purchase of a piano. L explained that she had entered the incorrect telephone number, but they continued to communicate after this, and a relationship started to develop.

L introduced Mr C to an investment opportunity on a crypto platform (which I'll refer to 'X') which involved trading in gold futures. Mr C invested small sums to begin with and could see his 'profits' increasing on X's platform from every trade. L then encouraged Mr C to invest greater amounts, which he did. But when Mr C requested a withdrawal of funds, at the point his balance was showing about \$6 million, he was told there was a 10% platform fee that had to be paid. As he'd exhausted most of his personal investments and savings, Mr C borrowed funds from his wife to pay this. But despite paying this, he was then told he had to pay further fees (\$580,000) due to supposedly entering an incorrect crypto wallet address. L blamed Mr C for this, but he knew he wasn't at fault as he'd copied and pasted the correct digits. At this point, he realised he'd been scammed.

Mr C sent about £2.2 million to the scam across more than 20 transactions between 10 July and 23 October 2024. The funds were sent internationally to several beneficiaries, ranging between about £2,000 and £340,000.

Mr C notified and later complained to NatWest about what happened. NatWest, in short, said:

- A payment of about £260,000 was returned on 29 October 2024. This put Mr C's loss at about £2 million.
- The payments aren't covered by the Contingent Reimbursement Model (CRM) code – as it doesn't cover international transactions.
- Mr C didn't take enough reasonable steps to validate the authenticity of the investment opportunity before making the payments. And Mr C misled them about the genuine purpose of the payments whilst also confirming he hadn't been told to lie to his bank, which limited their ability to identify the scam.

- As a gesture of goodwill, and without any admission of liability, they refunded £410,000.
- They contacted the beneficiary banks to attempt recovery of the payments, but no funds remained.

The complaint was referred to the Financial Ombudsman. Our Investigator didn't think NatWest had to do anything further. He said, although NatWest should've intervened sooner than they did, he didn't think this would've prevented Mr C's loss. This is because Mr C had developed a romantic relationship with L and trusted her – which led to him following her instructions not to disclose the true purpose of the payments. And that it seemed Mr C wanted to make the payments to maintain his relationship with L, which was despite NatWest warning him that scammers will ask victims to lie to their bank. Our Investigator said, if Mr C had been forthcoming with NatWest about the true purpose of the payments, then NatWest could've probed further and potentially prevented his loss.

Mr C disagreed with our Investigator, and so the matter has 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.

I'm sorry Mr C has been the victim of a scam. I know it is a significant amount of money he has lost and so, I understand why he would do everything he can to try and recover it. But I must consider if NatWest are responsible for Mr C's loss. Having done so, and while I know this won't be the outcome Mr C is hoping for, I don't think they are. I therefore don't think NatWest have to refund anything more than they already have.

The payments were made across the period in which the CRM code and the Payment Systems Regulator's mandatory reimbursement scheme were in effect – which can offer a potential means of obtaining a refund following authorised push payment scams. Unfortunately, these payments aren't covered by either scheme as they don't include international transactions. I've therefore considered whether NatWest should otherwise reimburse Mr C under any of their other obligations.

It isn't disputed that Mr C authorised the payments from his NatWest account. Generally, consumers are liable for payments they authorise and NatWest are also expected to process authorised payment instructions without undue delay. However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, including the Consumer Duty, there are circumstances where it might be appropriate for NatWest to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

I've considered whether the payment instructions given by Mr C to NatWest (either individually or collectively) were unusual enough to have expected additional checks to be carried out before they were processed.

It wasn't unusual for Mr C to make occasional higher value transactions on his NatWest account – as, for example, he'd made several payments between £5,000 and £20,000 in the few months prior to the scam. He'd also made international transactions, to the same region of those being disputed here, during this time too. And so, although there is an increased risk associated with funds sent internationally (as recovery is highly unlikely), I don't think NatWest ought to have been concerned that Mr C might be at risk financial harm from fraud when he made some of the earlier payments.

I think this changed however at the point of the sixth transaction for about £45,000. This is because it was a significant increase on Mr C's typical account spend and, although international transactions weren't uncommon for him, it brought his total international account activity up to about £90,000 in roughly two weeks. So, I think it would've been reasonable for NatWest to carry out additional checks before processing this payment. I similarly would've expected this for subsequent payments Mr C made over the next three months – as they were going to various international payees and, again, they increased significantly in value with many over £100,000.

NatWest have shown that they did flag payments for fraud prevention checks from the 14th transaction onwards. Although I think NatWest should've intervened sooner than they did, I've considered whether their checks were proportionate to the risk associated with the payments. And whether this would've made a difference had they carried out a proportionate intervention sooner.

At which point, I should explain that for me to find it fair and reasonable that NatWest should refund Mr C requires more than a finding that NatWest ought to have intervened. I would need to find not only that NatWest failed to intervene where they ought reasonably to have done so - but crucially I'd need to find that but for this failure the subsequent loss would've been avoided. That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that such a proportionate intervention by NatWest wouldn't have revealed the payments were part of a fraud or scam, then I couldn't fairly hold NatWest liable for not having prevented them from being made.

NatWest took steps to understand the purpose of the payments Mr C was making. Unfortunately, due to the influence of L, Mr C didn't provide accurate information. He did, when NatWest intervened on the first occasion, explain the payment of about £26,000 was for investment purposes. But while he was honest in this respect, Mr C went on to explain that the opportunity had come through colleagues and associates that he trusted, and that he wasn't investing in crypto (despite knowingly sending it to what he believed was a genuine crypto platform). Nor do I think NatWest could've reasonably known, from the payees, the payments were being sent for crypto purposes. Further to this, despite NatWest warning him that criminals will ask victims to lie about the purpose of the payment, Mr C confirmed he hadn't been told to lie. Nor had he been contacted unexpectedly by someone offering an opportunity promising high returns with low risk. Mr C also reassured NatWest that he had researched the company, and he hadn't been pressured into making the payment or signing any non-disclosure agreement.

Mr C spoke confidently throughout this call, and he didn't show any signs of nervousness or doubt when questioned about the payment he was making. Because of this, and based on his responses, I don't think NatWest would've had enough reason to suspect Mr C was making the payment for anything other than legitimate purposes. So, I think it was reasonable for them process the payment upon receiving his instruction to proceed.

When NatWest intervened on the subsequent payments, Mr C didn't provide the same payment purpose. He said the payments were for the purpose of purchasing goods and referenced electrical items in some of the calls. This prompted further questioning from NatWest. But on all occasions, despite being told by NatWest of some of the techniques scammers use, Mr C denied he was being pressured into making the payments or that he'd been told to lie about their purpose.

I understand Mr C was manipulated by L to not disclose details of the investment, as she directed him to provide other reasons such as purchasing goods. It's clear that Mr C was

under L's spell and made the payments to maintain their relationship. While I sympathise with Mr C, I can't fairly hold NatWest responsible for that. They were reliant on Mr C providing accurate information and engaging positively with their fraud prevention checks to enable them to provide Mr C with warnings relevant to his situation.

That said, having considered the surrounding circumstances of the payments Mr C was making, I think NatWest ought to have done more. I'm not persuaded their interventions went far enough or that they were proportionate to the associated risk – particularly due to their international destination and high value (which increased significantly in a relatively short period). I also think some of Mr C's responses should've given NatWest cause for concern or, at least, reason to question him further. Firstly, Mr C's purpose for the payments changed from investing to purchasing goods. While this could've been perfectly legitimate, I think this should've been seen as unusual. And secondly, considering the sums involved, I think NatWest should've done more to understand what goods Mr C was purchasing – such as what they were, why he needed them, how he'd come across the supplier(s) and what checks he'd carried out.

I wouldn't have expected NatWest to have interrogated Mr C about the payments. But I don't think their line of questioning allowed them fully to establish if there was a risk of them being made as part of fraud or a scam. And although NatWest wouldn't have been able to ascertain, from the payees, that the payments were for investment purposes, I consider they should've been alive to the fact that scammers manipulate their victims to conceal the true purpose of payments even when warned against this very situation (as happened here). So, I think NatWest ought to have carried out further checks before processing some of these payments.

I've therefore given consideration to what would've likely happened had NatWest carried out the type of checks I would've reasonably expected. But even if they had, whether on the payments they did intervene on, or the earlier ones I would've expected, I'm not persuaded this would've made a difference.

This is because, as I've said, Mr C was clearly under L's influence – and to the degree whereby he knowingly lied to his bank. This was despite NatWest making it clear on several occasions that criminals will ask victims to lie about the purpose of payments. And he hid crucial information from NatWest, without the direction from L, even when disclosing it was for investment purposes – such as saying the opportunity arose through trusted colleagues and associates. This, in my view, demonstrates Mr C's ability to independently mislead his bank – and so, he wasn't solely reliant on the instruction and guidance of L.

Further to this, I've considered that, at a point when Mr C had invested less than £300,000, he insisted that he *"must meet [L] first before I make this next investment"*. Yet Mr C then proceeded to send a further £1.9 million (approx.) without seeing L due to his belief that he was in a genuine relationship with her. And towards the end of the scam, albeit at a point when Mr C was heavily invested and wanted to access his \$6 million from X's platform, Mr C borrowed funds from his wife to pay the management fee. And he did this, despite his wife questioning whether it was legitimate and wanting assurances he wasn't being scammed, and without being able to find any information about X online but simply trusted what L told him. This, to me, demonstrates the level of influence L held over Mr C.

At which point, I've thought about the unusualness of the amount Mr C claimed to be sending for the purchase of goods. This, alongside the fact Mr C was sending money internationally and the frequency of the payments, ought to have given NatWest cause for concern – arguably warranting NatWest to invoke Banking Protocol. But for the reasons I've explained, even if this happened, I think it's most likely that Mr C would've maintained

the necessary cover story for the payments to ensure he hid their true surrounding circumstances – including L's involvement. And so, I'm not persuaded further probing, or an in-person intervention would've uncovered the scam. Particularly as I'm aware that, as part of the scam, Mr C was provided fake sales contract showing the purchase of goods – including electrical items but also building materials. And L gave varying reasons to Mr C of what he could tell his bank the payments were for – such as the purchase of a villa, house renovations and the purchase of electrical equipment for it. I therefore think, if required, the instructions Mr C received from L to mislead NatWest would've likely evolved as required. Thereby adding plausibility to the payments being made for genuine purposes and reassuring NatWest that Mr C wasn't falling victim to a scam. I've also no reason to consider Mr C would've behaved any differently to his interactions with NatWest over the telephone – that being speaking calmly and confidently and showing no signs of uncertainty regarding the payments that he was making.

Ultimately, while I think NatWest ought to have intervened sooner and checks should've gone further, I think Mr C was manipulated by L to the extent whereby I'm not persuaded – on balance – that a proportionate intervention would've uncovered the scam and prevented the payments being made. It follows that I don't think NatWest is responsible for the loss Mr C suffered.

I've considered whether, on being alerted to the scam, NatWest could've done anything more to recover Mr C's losses, but I don't think they could. Mr C reported the matter to NatWest several weeks after the last disputed payment. As most funds are removed by scammers immediately upon them being received, the likelihood of recovery was extremely low – particularly as the funds were sent internationally (as the banks aren't required to adhere to UK regulatory obligations). So, there wasn't any realistic prospect of recovery in these circumstances. And here, NatWest have confirmed they contacted the beneficiary banks but, unsurprisingly, no funds remained.

I know Mr C will be disappointed by this outcome. I realise he is the innocent victim of a scam and I'm not trying to place any blame on him for what happened. But it would only be fair for me to direct NatWest to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. I therefore don't think NatWest need to refund Mr C anything more.

For the above reasons, I'm not going to tell NatWest to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

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

Daniel O'Dell
Ombudsman