

The complaint

Ms T complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY won't refund the money she lost when she was the victim of what she feels was a scam.

What happened

In July 2025, Ms T was looking to purchase a kitten and contacted a seller who was listing one for sale. They agreed for Ms T to purchase the kitten and Ms T then made a payment of £250 from her NatWest account as a deposit. But Ms T then raised a number of concerns about the kitten and the sale wasn't completed. And when the seller didn't return the deposit she had paid, Ms T reported the payment to NatWest as a scam and asked it to refund the money she had lost.

NatWest investigated but said it felt this was a civil dispute between Ms T and the seller, rather than a scam. So it didn't agree to refund the payment she had made. Ms T wasn't satisfied with NatWest's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think there was sufficient evidence to say the seller set out with the intention of scamming Ms T, so thought NatWest had acted reasonably in rejecting her claim. Ms T disagreed with our investigator, 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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises it to make. However, where the customer made the payments as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payments.

In 2024, the Payment Systems Regulator required the Faster Payments Scheme operator to introduce rules to require firms to reimburse customers who had been the victims of scams in certain circumstances. These Reimbursement Rules came into force on 7 October 2024, however, they only apply where the customer has been the victim of an APP scam, which the rules define as:

“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer's Relevant account to a Relevant account not controlled by the Consumer, where:

- *The recipient is not who the Consumer intended to pay, or*
- *The payment is not for the purpose the Consumer intended”*

The rules also specifically outline that private civil disputes are not covered. And a private civil dispute is defined in the rules as:

“a dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

“Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act.”

It also provided an example of a civil dispute:

“...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.”

So in order to determine whether Ms T has been the victim of a scam as defined in the Reimbursement Rules, I need to consider whether the payment was made for the purpose she intended and then, if it wasn't, whether this was the result of fraud or dishonesty on the part of the seller.

I've thought very carefully about this, and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is more likely to have happened, based on the evidence I do have.

I'm satisfied Ms T made the payment here for the purpose of purchasing a kitten. But I'm not persuaded I can safely conclude that the purpose the seller intended for the payment was different to this, or that Ms T's and the seller's purposes for the payment weren't the same.

I've seen evidence that the seller is licensed to sell animals as pets by the relevant local council and is listed as a licensed breeder of kittens by a well-known pet website. And I think this suggests the seller is a legitimate seller of animals.

The bank the payment was sent to has also told us they haven't received any other scam reports against the account. But scammers usually target a number of people at once, in order to make as much money as possible before the scam is uncovered. So I'd expect to see other scam reports against the same account around the same time if the seller was operating a scam.

I've also seen evidence relating to the account the payment was made to, and while I can't share any details of this evidence, I think it shows the account appears to have been run at the time as I would expect a legitimate businesses account to have been run and doesn't suggest it was being used to operate a scam.

From what I've seen of Ms T's communication with the seller, while she raises some concerns about some of the information she has seen or been given, the seller appears to be willing to complete the sale of the kitten. So I don't think this supports that the seller was operating a scam. And the seller's website states that any deposit is non-refundable unless the seller terminates the sale.

I appreciate Ms T has said she was told the kitten she was buying was 'show worthy' but that the seller didn't provide sufficient evidence to satisfy her this was the case and she now

believes the seller knew the kitten did not meet this standard. But I've not seen anything to definitively show that the kitten was not 'show worthy' or that the seller was aware of this. So I think this more closely resembles a dispute about the quality of goods or services provided which, as I explained above, is specifically excluded from the definition of a scam under the Reimbursement Rules.

So I'm not persuaded the available evidence is sufficient to safely conclude that the purpose the seller intended for this payment was different than the purpose Ms T intended, or that the payment wasn't made for the purpose Ms T intended. I think it's likely both Ms T's and the seller's intended purpose for the payment was the same – to pay for the purchase of a kitten – but that other factors ultimately meant the sale wasn't completed.

And so I think NatWest has acted reasonably in saying the circumstances here don't meet the definition of a scam from the Reimbursement Rules, and in not agreeing to refund the money Ms T lost from this payment.

I also don't think there are any other grounds on which it would be fair and reasonable to require NatWest to refund the payment Ms T made here.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 22 May 2026.

Alan Millward
Ombudsman