

## The complaint

Mr H is unhappy that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) won’t refund all the money he lost to a third-party scam.

## What happened

The circumstances that led to this complaint are well known to both parties, so I won’t repeat them in detail here. But, briefly in November 2025, Mr H made a payment for football tickets he saw advertised on social media. After the initial payment of £180, the seller said there were additional fees he needed to pay. Mr H then realised it was a scam and raised a scam claim with NatWest.

NatWest provided a refund of £80 and said it was entitled to deduct an excess of £100 from Mr H’s claim under the Faster Payment Scheme Reimbursement Rules (“Reimbursement Rules”).

Our investigator considered the complaint and agreed that NatWest had fairly applied the excess under the Reimbursement Rules.

Mr H did not agree. He said he is not in disagreement with the existence of the £100 excess. His complaint is that NatWest materially misrepresented this term, both at the point of payment and during the scam report itself, depriving him of informed consent. Specifically:

- NatWest staff told him the £100 excess is shown every time a payment is made via the app – NatWest has since admitted this is incorrect.
- No warning regarding £100 excess was displayed at the point of payment.
- Presence of this information on its website and within its terms is not equivalent to clear timely disclosure.
- Had he been aware he would automatically lose £100 even if scammed, he would not have proceeded with the payment.

Mr H does not believe it is fair or reasonable to apply the excess where:

- The term was not presented at the point of payment
- The bank’s staff provided incorrect assurances
- The customer reported the scam immediately and acted in good faith.

Mr H would also like further compensation for the considerable avoidable time and effort involved beyond the £100 already paid.

Mr H also added that the relevance of the excess is not whether he believed the payment to be genuine. It is whether he was given clear information about the allocation of risk if that belief turned out to be wrong. He said, the existence of a mandatory £100 personal loss in the event of APP fraud is material information. Mr H feels this alters the financial risk of the

transaction – including taking additional steps or choosing not to proceed. Applying the excess without clear transactional disclosure is, in Mr H's view, unfair.

I issued my provisional decision on 17 April 2026 explaining why I agreed with the investigator broadly for similar reasons. NatWest had nothing further to add.

Mr H did not agree. He said:

- His complaint has never been that NatWest was required under the Reimbursement Rules to display a warning about the £100 excess at the point of payment. But whether it is fair and reasonable for NatWest to apply that excess after:
  - incorrectly stating that such a warning appears at the time of payment; and
  - failing in practice to provide that information at the transactional moment.
- The relevance of the misinformation is not whether he believed the payment was genuine, it was whether he was given accurate information about the allocation of risk if that belief turned out to be wrong. That misinformation reinforced the impression that he had already been made aware of the term, when he had not. The misinformation does not just affect his distress and inconvenience but also affects the fairness of applying the excess itself.
- The existence of a mandatory personal loss of £100 in the event of APP fraud is material information. He considers it alters the financial consequences of proceeding with a payment in circumstances where the bank itself recognises there is a known category of fraud risk.
- The warning related to the existence of scams generally. It did not explain that NatWest would retain the first £100 of any loss even where reimbursement applied.
- If NatWest was entitled to proceed on the assumption that he was acting in good faith when continuing with the payment after seeing the warning, then it follows that he should also have been entitled to proceed on the basis that any applicable reimbursement protections would operate transparently and accurately.
- The compensation already paid does not fully reflect the avoidable time and effort involved in pursuing clarification of a policy which NatWest itself initially misdescribed.

### **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 have considered Mr H's response to my provisional decision.

NatWest's employee made a mistake when telling Mr H that a warning regarding the £100 excess was present when he made the transaction. This information was not correct. I don't feel it would be fair or reasonable for NatWest to refund the excess simply because of a human error *especially* when the terms of the Rules allow for an excess to be deducted. *And* those Rules don't specify that a PSP needs to forewarn consumers about that deduction before proceeding with a payment. Similarly (and for the reasons set out in my provisional decision) I don't think it would be fair or reasonable for NatWest to refund the excess for not providing a warning about the £100 excess at the transactional moment.

I appreciate Mr H does not feel the compensation already paid by NatWest fully reflects the avoidable time and effort involved in pursuing clarification of the issues he has raised. I set out in quite some detail the timeline of events. I accept NatWest caused more than the levels of frustration and annoyance I might reasonably expect from day-to-day life, but I don't think the incorrect information or delay in providing a final response letter led to *considerable* distress, upset and worry or significant inconvenience and disruption that needed a lot of extra effort to sort out or that warrants any further award.

So, I see no reason to depart from the conclusions set out in my provisional decision. I have concluded that the fair and reasonable outcome, in all the circumstances, would be not to uphold this complaint. For completeness, I have set this out below.

I know this will be disappointing for Mr H and I understand he has strong views. I want to assure him that I've considered everything he's provided to support the complaint very carefully. I have read the detailed responses to the view and provisional decision and all the evidence submitted by the parties. If I don't mention a particular point or piece of evidence, that's not because I haven't taken it into account, it's just that I don't need to reference it to explain my decision, which is focussed on what I consider to be the main and material issues on which the complaint turns.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

#### Regulatory background and context

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

So, in the first instance, a customer is presumed liable for losses that result from a payment like this that they instruct their bank to make. However, where a customer made the payment 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 payment.

Unfortunately, and unlike payments made by card or using credit, bank transfer payments give very little protection to consumers. For example, section 75 of the Consumer Credit Act covers situations where a product is faulty, doesn't arrive or wasn't as described and consumers aren't able to resolve this with the supplier. But the protections offered by section 75 of the Consumer Credit Act don't apply here — Mr H's payment was a faster payment transfer from his bank account with NatWest.

Faster payments are processed almost instantly and so irrevocable once sent. A consumer cannot simply "cancel" the payment in the same way they might a cheque. So, the transaction is final upon execution.

Mr H transferred money to a third party. That third-party removed Mr H's money, from the account to which he sent the money to, within 11 minutes of Mr H making the transaction — so well before he reported the matter to NatWest. I appreciate Mr H reported the scam as soon as he realised and acted in good faith in doing so. But NatWest did not know the payment Mr H was making was being made towards a scam before he notified it. It processes large volume of transactions like these every day.

NatWest was therefore unable to recover Mr H's £180 from the third party. And Mr H's funds have been lost to a third-party scammer with no prospect of ever recovering them.

For Faster Payments transfers made on or after 7 October 2024, the Reimbursement Rules provide additional protection for the victims of APP scams – and will typically require the reimbursement of most payments.

There's no dispute that Mr H's payment falls within the scope of the Reimbursement Rules. Where payments are within scope, I must have regard to the Rules and Guidance, as well as considering what is fair and reasonable in all the circumstances of the complaint.

The Reimbursement Rules are a no-fault based regime. This means the sending PSP (payment service provider) - in this case NatWest - does not have to have done anything wrong for reimbursement to apply. But under these Rules both the sending PSP and receiving PSP are required to reimburse (from their own funds) victims of scams regardless of fault – with the caveat that they do not need to reimburse the first £100 of any claim.

There are also a number of exceptions to reimbursement under the Rules. NatWest hasn't said any of these apply so I'm not going to go into detail, but one that might apply in a situation like this is

*- The consumer should have regard to any intervention made by their PSP and/or by a competent national authority (which includes, but is not limited to, any police force or service in the U.K.)*

In order for a sending PSP to rely on an exception, a sending PSP must show that, as a result of gross negligence, a consumer has not complied this standard.

#### *What the Reimbursement Rules and associated Guidance say about intervention standards*

Mr H argues that when he made the payment, that NatWest did not do enough to make him aware of the £100 deduction it might later apply.

The Payment Systems Regulator's Consumer Standard of Caution Exception Guidance ("the Guidance") provides guidance to supplement the Reimbursement Rules. It gives a more detailed and specific description of the intervention standard.

Whilst this Guidance does outline what the intervention standards for PSPs are, these are only relevant when a PSP is relying on the exception to reimbursement I've outlined above. It is important for me to emphasise that a failure to meet those requirements doesn't mean a PSP can't apply the excess, it just means it can't refuse reimbursement.

Nevertheless, even though this Guidance is in the context of a PSPs reliance on the intervention exception to reimbursement, I think it would be helpful to set out what the Guidance does say about those intervention standards.

Paragraphs 1.8 – 1.10 of the Guidance says:

*“PSPs can expect their consumers to have regard to specific, directed interventions raised either by their sending PSP, or by a competent national authority. Those interventions must clearly convey the PSP’s, or competent national authority’s, assessment of the probability that an intended payment is an APP scam payment. Only in circumstances where the PSP can demonstrate that a consumer who has not been classed as vulnerable has, as a result of gross negligence, not had regard to such interventions can a reimbursement claim be refused.*

*It will be up to payment firms to consider the approach they might take in creating tailored, specific interventions and to develop their own operational approaches and identify best practice.*

*Any intervention for the purpose of this exception should be bespoke. They must be consumer, scam, and transaction specific. They should not consist of ‘boilerplate’ written warnings. Providers should not refuse reimbursement claims on the basis that a consumer received vague, non-specific written warnings, or warnings that routinely accompany most or all transactions of a similar type. Where a PSP does choose to intervene with a written warning, this must be actively brought to the attention of the consumer. PSPs should not rely upon the availability of passive warnings, such as on public websites.”*

So, the Guidance is clear that there is no requirement to provide a warning at all and that it is a decision for PSPs to make (although in the absence of a warning - a PSP could not then go on to rely on the specific exception to reimbursement I’ve mentioned above).

Secondly, whilst the Guidance covers what is needed for a warning to meet the standard (for the purpose of this exception), there is no mention for the need for a PSP to outline all the exceptions to reimbursement (I’ve only listed one above), nor the excess within that intervention.

I think practically this would simply not be possible – as if Mr H’s arguments flow through to all the reasons why a PSP might not reimburse a consumer – it would need to cover off all the exceptions to reimbursement, as well as application of an excess. More importantly, this means the impact of any scam prevention intervention would be lost. The primary purpose of such interventions is to prevent fraud and scams by highlighting the key features of the scam identified through the payment purpose the consumer enters.

Here, as I understand it the following warning was displayed when Mr H made the payment:

*“Facebook Marketplace*

*Be careful – in 2023 around 60% of UK scams involved buying items that didn’t exist. Fraudster are targeting Facebook Marketplace by placing adverts for cars good and tickets that aren’t real.*

*To protect yourself*

*Never send money until you’ve checked the item exists and is what you expect. If you’re asked to send money upfront – this is likely a scam, stop this payment now!  
Keep safe by reading Facebook’s buying and selling policy via the Facebook Marketplace help centre.”*

So even though I am not assessing whether Mr H moved past NatWest's intervention with gross negligence, I do consider NatWest's warning was specific to the scam Mr H fell victim to, displayed at the time he made the payment and warned that if he'd been asked to send money upfront *'this is likely a scam, stop this payment now'*.

*Have any errors by NatWest had a material impact on the loss Mr H has suffered?*

Mr H was told during the scam claim call that NatWest's warning at the time of payment would have included detail about the £100 excess. NatWest has since confirmed this isn't correct and it doesn't always do so. The fact that the member of staff gave incorrect information during the scam claims process, about the presence of detail regarding the excess on the warning before Mr H made the payment – does not have a material impact (other than potentially impacting the distress and inconvenience suffered during the scam claim journey - which I will consider separately) and is not something Mr H has suffered a financial loss for.

Mr H argues that when he made the payment, NatWest did not do enough to make him aware of the deduction it might later apply. I appreciate Mr H says if he'd known about the excess he would not have proceeded with the transaction. But I think it is reasonable for a PSP to take the starting point that consumers are acting in good faith when they make a payment like this. And given the specific and relevant warning here, I think it is even more entitled to consider its consumer is acting in good faith by continuing.

So even if such a failure on NatWest's part could be established (and I am not persuaded it has been) that would not change the outcome I have reached. When Mr H made the payment, I think it is fair for NatWest to have believed he was acting in good faith. He acted (or ought reasonably to have acted) as he did in the belief the transaction was legitimate – especially having moved past the above warning NatWest provided.

*What the Reimbursement Rules say about the excess*

The Reimbursement Rules set out that the value of the Reimbursable Amount to be credited shall be the full value of all Reimbursable FPS APP scam payments, up to the maximum level of reimbursement and *less any claim excess imposed*.

In respect of applying an excess the Rules state that:

*Sending PSPs may apply a single claim excess to each FPS APP scam claim, up to the maximum claim excess value set by the PSR and published on their website.*

The PSR's website includes the following, setting the maximum value of the 'excess':

- *Sending PSPs may apply an excess up to a maximum of £100 per claim.*
- *Sending PSPs may decide to apply the maximum excess (£100), a lower excess or no excess*

NatWest's own website says:

*A £100 excess could apply to any eligible claim you make, meaning we wouldn't refund this amount of money if the claim is successful. For example, if you make a claim of £500, you may only get £400 back. If your claim is under £100 you may not get any money back, however it's important you still report it to us.*

*We'll take your personal circumstances into account and where they have a material impact on your ability to protect yourself from the scam, the excess will not apply.*

The Rules do contain an exception to this permission to deduct an excess. This affects claims where a customer met the Rules' definition of a vulnerable customer at the time of the payment. In summary, this exception might take effect where the customer's circumstances meant they were especially susceptible to harm. Mr H has not argued that this should apply to him, and I have not seen any evidence which persuades me it was the case at the time he made the payment.

But there are no other exceptions for permission to deduct an excess – including whether or not this was brought to the consumer's attention before they made the payment.

So, the Reimbursement Rules allow NatWest to choose to make the deduction from a scam claim. This means NatWest does not need to refund Mr H anything further under the Reimbursement Rules and I don't find NatWest's overall decision to apply the excess was unfair under the terms of the Reimbursement Rules.

I have considered if there are any other reasons why NatWest should refund Mr H's loss. I don't think there was anything so unusual or concerning about the size of the payment Mr H sent that it should have been obvious to NatWest that he might be about to lose money to a scam. So, I couldn't fairly expect NatWest to have done more than it did here.

Mr H made the payment on 12 November 2025 at 18:02 and initially reported the matter to NatWest on the same day at 20:04. NatWest reached out on the same day to the PSPs that received Mr H's money to try to claim it back for him. But no funds remained. I have seen the evidence from the receiving PSP that all of Mr H's funds were removed by 18:13. This is not unusual as scammers usually remove funds straight away. There's nothing more I could expect NatWest to do in the circumstances to recover Mr H's funds.

The Reimbursement Rules require PSPs to refund consumers from their own funds. But the Rules place limits on what a PSP is expected to reimburse and one such limitation is that they are entitled to deduct an excess from the amount they payout.

I am sorry if Mr H has fallen victim to a scam and lost money, but I don't think NatWest made any failings that have caused or contributed to Mr H's loss – including its consideration of his fraud claim under the Reimbursement Rules. I therefore don't think it would be fair and reasonable to direct NatWest to refund Mr H anything further.

### *Distress and inconvenience*

Deciding on an award of compensation for distress and inconvenience, isn't an exact science. And I don't have the power to make any punitive award against NatWest. It is also not intended to compensate for any actual financial loss a consumer has experienced.

I need to carefully consider the impact NatWest's mistakes have made, not those of the other parties involved here. Most significantly, this means attempting to discount the actions of the fraudster, who was ultimately the party who committed this fraud on Mr H and, as such, was the direct cause of Mr H's loss and the subsequent impact.

I have looked at the detailed timeline of events including the number and length of calls Mr H had to make to get a resolution. From what I've seen there were around eight calls which appear to have taken around 2 hours of time in total. This was over the total time frame of just over two months.

Mr H was given an indicative outcome (in line with what I have ultimately decided) the same day he reported the scam and this was confirmed in writing five days later. I appreciate he was given some incorrect information during the course of the delivery of that outcome. Mr H was entitled to dispute this outcome further and his complaint about the scam claim outcome was acknowledged on 18 November 2025 (6 days after the claim was made). NatWest said it might take up to 20 business days to deliver an outcome – so 16 December 2025. I can see Mr H called on 28 November 2025 and twice again in January 2026 to chase the matter. A final response letter was provided on 19 January 2026 - giving him referral rights to this service.

NatWest provided £100 by way of an apology. I agree that NatWest caused more than the levels of frustration and annoyance I might reasonably expect from day-to-day life, but I don't think the incorrect information or delay in providing a final response letter led to *considerable* distress, upset and worry or significant inconvenience and disruption that needed a lot of extra effort to sort out. And so, I am not making any further award.

I do note that NatWest said in its final response letter that it would refund a sum specifically in relation to the call costs. I appreciate this is a nominal sum – (based on what I've seen to date, I estimate this to amount to less than £5). But Mr H is free to take NatWest up on its offer.

### **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 H to accept or reject my decision before 21 May 2026.

Kathryn Milne  
**Ombudsman**