

The complaint

Mr and Mrs B are unhappy that National Westminster Bank Plc won't refund money they lost as part of an investment scam.

What happened

The details of this complaint are well known to both parties. So I won't repeat them all here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

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.

Having done so, I've reached the same outcome as our investigator for these reasons:

- It's not in dispute Mr and Mrs B were tricked by a cruel and sophisticated scam. But that doesn't mean NatWest ought to refund them. For that, I need to be persuaded that it did something wrong that means it ought to be responsible.
- Under the Payment Services Regulations 2017, NatWest is expected to make the payments Mr and Mrs B tell it to without delay. While this was a scam, it's accepted Mr and Mrs B made the payments. That means the starting position is that they're liable for them.
- But there are some situations where we believe that banks – taking into account relevant rules, codes and best practice – ought to have identified a fraud risk, so should have looked at the wider circumstances surrounding a payment before making it.
- I've considered whether NatWest ought to have identified a fraud risk here. The value of the disputed payments ranged from around £1,000 to £10,000, which was in line with Mr and Mrs B's previous spending. And the payments were spread out over nearly two months. So, I don't think there was anything particularly unusual in the size and frequency of the payments that ought to have alarmed NatWest.
- I've considered Mr and Mrs B's point that a new payee related to cryptocurrency carried more risk than previous large payments they made to established payees. But I'm mindful that at the time, many people legitimately invested in cryptocurrency and these payments involved a genuine cryptocurrency platform. So, given the overall circumstances, I can see why this wasn't suspicious enough to have alerted NatWest that something was amiss.
- Taking this all into account, I consider it reasonable NatWest didn't detect a fraud risk in the circumstances – and simply processed the payments in line with Mr and B's instructions.

- As well as considering whether NatWest ought to have prevented Mr and Mrs B's loss, I've considered whether it ought to have done more to recover it. But these payments went to an account in Mrs B's name, before being sent to fraudsters. So, I don't think there would've been a benefit if NatWest tried to recover money from Mrs B. So I'm not persuaded there's more it could've done here.
- I appreciate this will be hugely disappointing for Mr and Mrs B, who ultimately are victims in this situation. But overall, I'm not persuaded that NatWest is at fault for failing to stop or recover their losses. That means I can't fairly hold it liable.

My final decision

For the reasons I've explained, I don't uphold Mr and Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 26 February 2024.

Emma Szkolar
Ombudsman