

The complaint

Miss S complains about National Westminster Bank Plc (NatWest).

She says that NatWest allowed a bank account to be opened by a fraudster who scammed her out of money. She also says that it didn't do enough to monitor the account to identify that it was being run by a fraudster prior to her making payments to the account or act quickly enough to protect her money when she reported the scam.

Miss S would like NatWest to refund her the money she has lost.

What happened

Miss S was referred by a family member to an individual called F who was offering investments in cryptocurrency.

Miss S was persuaded to transfer money to F's bank account which was supposedly to be used to make the investment and then profits would be returned to Miss S.

Unfortunately, F was running a scam, and although Miss S did receive some funds back, she lost money.

Miss S complained to NatWest, but it didn't uphold her complaint.

Unhappy, she brought her complaint to this Service where our Investigator looked into things, but they didn't think Miss S's complaint should be upheld.

Miss S asked for an Ombudsman to make a final decision, 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.

Having done so, I'm not upholding this complaint for broadly the same reasons as our Investigator.

I know that this will be very disappointing for Miss S as she has lost money – and I don't dispute that she has been the victim of a scam. However, being the victim of a scam doesn't automatically entitle Miss S to a refund from the bank that received her money.

NatWest has signed up to the Contingent Reimbursement Model (CRM) Code. The CRM Code sets out what is expected of the 'Sending Firm' and 'Receiving Firm' (in this case NatWest) when payments are made or received.

In summary, the obligations for the receiving firm state that firms should:

- Take reasonable steps to prevent accounts from being used to launder the proceeds of Authorised Push Payment (APP) scams.
- Have procedures to prevent, detect and respond to the receipt of funds from APP scams; and
- Where the receiving Firm identifies funds where there are concerns that they may be the proceeds of an APP scam, it should freeze the funds and respond in a timely manner.

So, with this in mind, I have carefully considered NatWest's obligations here.

NatWest has shared information with this Service as part of its obligations under the CRM code which has allowed me to investigate Miss S's complaint – however I am limited to what I can share with Miss S due to Data Protection laws, as this information is confidential. However, I would like to reassure her that I have carefully reviewed all information provided before issuing my decision.

Banks, Building Societies, and other Payment Service Providers (PSP's) have long standing obligations to ensure that their services aren't being used for fraudulent or illegal activities – so I would expect there to be extensive procedure in place for account opening to prevent accounts from being opened for these purposes.

However, complaints about receiving banks and any acts or omissions came into our jurisdiction from 31 January 2019 – and is not retrospective. I've seen evidence from NatWest to show that the receiving bank account was opened before 31 January 2019. This means I'm not able comment on whether there were any failings by NatWest when the account was opened.

That's said, Miss S made the payments between January and March 2022, so I've gone on to consider whether the activity on the receiving bank account ought reasonably to have caused NatWest any concern. Whilst data protection reasons mean I can't share any information with Miss S, I don't think there was anything relating to the activity on the account that should have prompted NatWest to have any concerns prior to Miss S making the payments to the account.

Finally, I've considered NatWest's actions on receipt of notification of the scam. Miss S reported the scam to NatWest in June 2023, and her money had already been removed from the account by this time. So, there was nothing NatWest could have done to protect Miss S's funds or prevent her loss. I'm also satisfied that once it was notified of the scam NatWest took appropriate action.

I understand that Miss S's representatives say that there have been a number of victims of the same scam, and that F has since been arrested. But in this complaint, I am limited to what I can consider – which is if NatWest could have done anything to prevent Miss S's loss, and I'm afraid that I don't think it could.

I am very sorry Miss S has lost money, and that she has been the victim of a cruel scam. However, I can't hold NatWest responsible for her loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept

or reject my decision before 28 March 2024.

Claire Pugh
Ombudsman