

## **The complaint**

Mr K complains that National Westminster Bank Plc won't refund the money he lost when he was the victim of a scam.

## **What happened**

In around May 2022, Mr K was contacted by a company who said they could help him recover some of the money he had lost following a previous failed investment. He was told a significant amount of money had been recovered but that he needed to make a payment upfront in order to pay for various fees, including insurance and commission. And as he was keen to recover his money, Mr K made a payment of £2,000 from an account he held at a different bank to account details the company gave him for an account held with NatWest.

Unfortunately, no money was recovered for Mr K and we now know the company was a scam. After the scam was discovered, it was reported to NatWest and Mr K asked it to refund the money he had lost.

NatWest investigated but said the account the payment was made to was opened correctly and had been operating normally before the payment Mr K made. It said it had no reason to be concerned about the account and hadn't made any errors. So it didn't agree to refund the payment Mr K had made. Mr K wasn't satisfied with NatWest's response so referred a complaint to our service.

One of our investigators looked at the complaint. They thought NatWest had followed the correct procedures when opening the account the money was sent to. They didn't think there was anything about the activity on the account that should have given NatWest cause for concern. And they thought NatWest had done what we'd expect once it had been told about the scam. So they didn't think NatWest needed to take any further action. Mr K 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.

Having done so, I don't think it would be fair to require NatWest to refund the money Mr K lost. I'll explain why below.

I understand that this will be disappointing to Mr K and I appreciate that he has been the victim of a cruel and sophisticated scam. But, unfortunately, being the victim of a scam doesn't automatically entitle him to a refund from the bank the money was sent to.

NatWest has signed up to the Lending Standards Boards Contingent Reimbursement Model (the CRM code). This code sets out what is expected of both the bank that sent the money and the bank that received the money – which in this case is NatWest.

In summary, the obligations for the receiving bank state it 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 bank identifies funds where there are concerns that they may be the proceeds of an APP scam, to 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 Mr K's complaint. I am limited in what I can share with Mr K due to Data Protection laws, as this information is confidential. But I can assure Mr K that I have carefully reviewed all the information provided before issuing my decision.

Having looked at the information NatWest has provided, I can't say there was anything that should have caused it any concern about the way the account was opened or the information and identification it was provided. I also don't think there was any indication at the time that the account would be used for fraudulent activity.

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 Mr K, 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 being notified of the scam Mr K had fallen victim to.

Finally, I've considered NatWest's action once it was notified of the scam. NatWest was first told about the scam just over a week after the payment Mr K made, and most of the money had already been removed from the account it was sent to by this time. But NatWest was able to recover some of the money, which it returned to the bank Mr K sent the payment from. And I'm satisfied it took appropriate actions and there was nothing more it could have done to protect his funds or recover any further money.

Mr K has mentioned changes to the responsibilities placed on receiving banks that have come into force this year. But these responsibilities weren't in place at the time he made this payment or NatWest was told about the scam, and they don't apply retrospectively. So I don't think it would be fair to say NatWest has acted incorrectly by not applying these standards at the time.

Mr K has also mentioned that he feels the person who opened the account the money was sent to should be reported to the Police. But this is not something the Financial Ombudsman Service has the power to look in to.

And Mr K has mentioned warnings banks are required to give about the sort code and account number a payment is being sent to, and that this payment passed that check. But this check is only to confirm that the account details Mr K enters for the payment match the details NatWest holds for the account, and I don't think these details matching suggests NatWest has made any error or failed to meet any of its obligations.

I'm very sorry to hear of what has happened to Mr K. He has been the victim of a cruel scam and I appreciate that this outcome will come as a disappointment to him. But, for the reasons I've set out above, I don't think NatWest has made any errors here or that it would be fair to require it to refund the money he lost.

## **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 5 April 2024.

Alan Millward  
**Ombudsman**