

## The complaint

Mr W complains that National Westminster Bank Plc (NatWest) is refusing to refund him the amount he lost as the result of a scam.

Mr W is being represented by a third party. To keep things simple, I will refer to Mr W throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr W found an advertisement online advertising cryptocurrency investment. The advertisement was endorsed by a well-known celebrity which made the opportunity appear legitimate. Mr W clicked on the link provided and completed a form with his personal information.

Shortly after providing his details Mr W received a call from Current Coins (X). X explained the investment opportunity and Mr W started to make payments in relation to the investment. Mr W was required to download the remote access software AnyDesk so X could assist him with the processes.

Mr W could see he had made a substantial profit from the investment and attempted to make a withdrawal. But X explained Mr W would first need to make a further payment of £15,000 to an escrow account to show liquidity. At this stage Mr W realised he had fallen victim to a scam.

Mr W made the following payments from his NatWest account:

| Date         | Payee        | Payment Method | Amount  |
|--------------|--------------|----------------|---------|
| 6 March 2023 | Mr W Revolut | Transfer       | £20     |
| 6 March 2023 | Mr W Revolut | Transfer       | £4,000  |
| 4 April 2023 | Mr W Revolut | Transfer       | £20,000 |
| 4 April 2023 | Mr W Revolut | Transfer       | £7,000  |
| 5 April 2023 | Mr W Revolut | Transfer       | £1,932  |

Our Investigator didn't uphold Mr W's complaint. Mr W disagreed, so this complaint has been passed to me to decide

## 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.

It has not been disputed that Mr W has fallen victim to a cruel scam. The evidence provided by both Mr W and NatWest sets out what happened. What is in dispute is whether NatWest should refund the money Mr W lost due to the scam.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations, regulators' rules, guidance and standards, codes of practice, and where appropriate, what I consider having been good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSRs) and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

However, taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider NatWest should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether NatWest acted fairly and reasonably in its dealings with Mr W when he authorised payments from his account, or whether it could and should have done more before processing the payment.

The first payment Mr W made on 6 March 2023 was to an account in his name, and for a low value that I wouldn't have expected to trigger NatWest's fraud prevention system prompting it to intervene. The second payment Mr W made into the scam on the same day, to the same account was for the value of £4,000. This higher value payment did cause NatWest concerns and a telephone conversation between Mr W and NatWest took place. NatWest has provided a recording of this conversation.

During the call NatWest explained to Mr W that the payment he was attempting to make had flagged as high risk. During questioning from NatWest Mr W confirmed that:

- he had recently opened the account with Revolut for travelling as it offered better commission rates and he had not opened the account for any other reason
- he had recently visited relatives abroad and would be travelling again
- he had found the account himself online after carrying out his own research
- he had not been asked to setup the Revolut account or make payments to it
- although he had given the reason for the payment as "investment" he was not making the payment for investment purposes
- he had not been asked to lie to NatWest when making the payment

Mr W was asked several times about the reason for his payment, and he confirmed every time that the payment was not for an investment.

Even though Mr W confirmed several times that the payment was not for investment NatWest still warned that it was seeing a rise in investment and crypto scams and checked that the payment was not in relation to any of these. Mr W confirmed that it wasn't.

I think it's clear from the recording I've listened to that Mr W was giving dishonest answers to the questions NatWest asked him to get the payment processed.

While NatWest didn't intervene with the payments that followed from his account, I don't think it would have made a difference if it did. I think it's unlikely Mr W would have been more honest with NatWest when making the payments which would have made it very difficult for NatWest to discover that a scam was taking place.

With the above in mind, I don't think NatWest missed an opportunity to uncover the scam, so it is not responsible for Mr W's loss.

### **My final decision**

I don't uphold this complaint.

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

Terry Woodham  
**Ombudsman**