

## **The complaint**

Mr K complains that National Westminster Bank Plc (“NatWest”) have failed to refund the money he lost as part of an investment scam.

Mr K has a representative but for ease of reading I will mainly just refer to Mr K.

## **What happened**

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr K met a scammer that I will call B on a well-known dating app. After a few weeks of chatting, B persuaded Mr K to make a number of payments between July 2020 and September 2022 to crypto exchanges and accounts he held in his own name. Mr K says the funds were then sent onto B. These payments totalled over £40,000.

Mr K says on 18 November 2021 he discovered that he had been scammed as he noticed that the e-mail address from B related to a different company.

Mr K asked NatWest to refund these payments as he believes NatWest should have done more to prevent him from being scammed. NatWest did not agree with this.

One of investigators looked into this matter and she thought NatWest should have intervened when Mr K made a payment of £7,410 on 15 November 2021 and it should have provided scam warnings. But she did not think that this would have stopped the scam. So, she did not think that NatWest should refund the transactions in question.

Mr K did not agree with this and therefore his complaint has been passed to me to issue a 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 agree with the conclusions reached by the investigator for the following reasons.

It isn’t in dispute that Mr K authorised the disputed payments he made from his NatWest account. The payments were requested by him using his legitimate security credentials provided by NatWest, and the starting position is that NatWest ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

However, I’ve considered whether NatWest should have done more to prevent Mr K from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

Firstly, I should highlight that the information and timeline about the scam does not seem to fit with the transaction history. Initially, Mr K said that he discovered he had been scammed in November 2021 and immediately stopped making payments. But when the investigator highlighted other payments after this point, it was confirmed that this was also part of the same scam. Also, the only chat between B and Mr K that has been supplied have different names to the person that Mr K mentioned he met on the dating app. Mr K has explained that this was the boss of the person he mentioned, yet the language in the e-mails suggests a very different personal relationship. Given these inconsistencies and the lack of evidence about the scam, it is difficult to say what transactions were and were not part of the scam.

But even if I were to accept that all the transactions listed were part of a scam, I don't think that NatWest should have intervened until the large transaction of £7,410 on 15 November 2021.

Prior to this, the size of the payments were not enough to be considered as unusual. I note that Mr K did make multiple payments on one day including £277.91 five times in one day. This could look unusual and be a sign of someone being scammed. This is because often scammers tell people to send payments in multiple different transactions to avoid scam detection. But these were small payments relative to the payments usually made by Mr K. So I don't think that NatWest should have found them indicative that Mr K was being scammed. If anything multiple transactions of the same amount at the size of £277.91 suggests an error rather than an attempt to disguise a payment. I also need to factor in that by this point Mr K had made 9 payments to the same payee without issue. So the most I would expect, given Mr K's specific transaction history, is for NatWest to have questioned whether the payments were authorised and I don't think a call along these lines would have stopped the scam.

By the time I think that NatWest should have had concerns that Mr K was being scammed and intervened, Mr K had known B for over a year, had sent multiple transactions to B and had received credits back. I also note that there were no credible warnings about B online and he was not using remote software.

So I think at most NatWest could not have said that B was definitely a scam but could only have provided a general warning saying it was likely he was being scammed. But I don't think that this would have stopped the scam, as Mr K said he realised he had been scammed on 18 November 2021 and yet he continued to send further payments to B until September 2022. So I think, albeit on balance, that Mr K would have carried on despite a warning.

I've also thought about whether NatWest could have done more to recover the funds after Mr K reported the fraud. In this instance, in relation to the debit card payments, the only way of recovering the funds would be to attempt a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

The service provided by the crypto exchanges was to provide crypto which it did. So, I don't think that a chargeback would have been successful in this instance.

NatWest are also under no obligation to refund the money to Mr K under the Contingent Reimbursement Model (CRM) Code either. The Code does not apply to debit card payments at all or transfers which the payer has effectively made to themselves. In this instance the payments from the NatWest account were sent to an account in Mr K's own name and therefore the CRM does not apply.

I appreciate this will likely come as a disappointment to Mr K, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that NatWest can fairly or reasonably be held liable for his loss in these circumstances.

**My final decision**

For the reasons given above, I do not 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 15 July 2024.

Charlie Newton  
**Ombudsman**