

The complaint

Miss T complains that National Westminster Bank Plc (“NatWest”) did not refund a series of payments she says she lost to a scam.

What happened

Miss T met an individual I’ll call ‘X’ on an online dating site. They began dating and had a relationship for around a year and a half. During this time, Miss T lent X money for various reasons, including some carpentry/joinery work he carried out on her house and an investment in his business project. However, following a breakdown in the relationship, X did not pay Miss T back as agreed and in hindsight she felt that the whole relationship was fabricated to extort as much money as possible from her. She raised a claim for a total of £4,000 on her NatWest account.

NatWest did not agree that this met the definition of a scam, and felt it was a civil dispute between Miss T and X. The complaint was referred to our service and our Investigator looked into it. They felt that there wasn’t enough evidence to show that X intended to defraud Miss T when he took her money and it appeared they had been in a genuine relationship, but he had not stuck to their financial arrangement. So, they felt NatWest had acted fairly when it did not assess the scam claim further and treated it as a civil dispute.

Miss T disagreed with the findings. She highlighted other examples where X had been distrustful to other individuals in order to extort money from them and let us know she had contacted the police about him.

As an informal agreement could not be reached, the complaint has been passed to me for a final 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 Investigator for largely the same reasons. I want to thank Miss T for her openness and for sharing the information she has provided. Having carefully considered everything available to me, I don’t think the transactions meet the definition of a scam, so I don’t think NatWest needs to refund her. I’ll explain why in more detail.

It isn’t in dispute that Miss T authorised the payments totalling £4,000. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that she’s liable for the transactions. But she says that she has been the victim of an authorised push payment (APP) scam.

NatWest has signed up to the voluntary Contingent Reimbursement Model (“CRM”) Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP

scam, as set out in it, is met. I have set this definition out below:

...a transfer of funds executed across Faster Payments...where:

(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or

(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.

I've therefore considered whether the payments Miss T made to X fall under the scope of an APP scam as set out above. I've considered the points in turn. I'm satisfied that Miss T made the payments to the individual she was expecting to pay, in this case X, so the first point does not apply to her circumstances. I've gone on to consider the second point and whether X took Miss T's funds with the intention to defraud her. Having looked over the evidence provided, I think it's more likely he did not.

I've reviewed the communications between Miss T and X, and I want to make it clear that I understand the messages do not show the whole picture of their relationship, but I do think it gives some insight. These span almost two years and appear to show a genuine relationship between Miss T and X. They met regularly in person, spoke often on the phone or on facetime, their children met each other, and they acted as a typical couple would. Miss T has said she cooked and cleaned for X, ran errands and answered his e-mails. These are all typical features of a genuine relationship and do not hold the hallmarks I would expect of a romance scam, which typically feature little to no face-to-face interaction.

I can see that Miss T did lend X money, for work on her house and to help him with a new business project, and I can see they discussed the money he owed her at times. And from what I have seen, he did not stick to their financial arrangement that he would repay her. But looking at their interactions, nothing I have seen indicated he intended to defraud her when he took the money or did not use the funds for the intended purpose of investing in his business.

I appreciate the additional information Miss T has shared about how X has taken advantage of others, mostly in relation to business interactions. And while this does give some background as to X's character, I don't think it therefore shows he intentionally defrauded Miss T in the circumstances. And I understand Miss T has raised this issue with the police, though a conviction has not yet been secured. If significant new evidence subsequently becomes available which suggests X was operating a scam, I would suggest Miss T raise this with NatWest directly. And I would expect NatWest to consider the claim in light of that new evidence. But, based what I've seen, I can't see that this investigation shows X was operating a scam here.

I also want to acknowledge that Miss T has received a refund from a separate third-party bank for payments she made to X following a scam claim. But I note this refund was made as a gesture of goodwill and not with any admission of liability from the third-party bank. I have to assess each case on its individual merits and having carefully reviewed everything available to me, I think NatWest acted reasonably when it treated Miss T's claim as a civil dispute. And I don't think it needs to refund her the money she lost to X.

My final decision

I do not uphold Miss T's complaint against National Westminster Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or

reject my decision before 26 July 2024.

Rebecca Norris
Ombudsman