

The complaint

Mr R, via a representative, complains that National Westminster Bank Plc (“NatWest”) have failed to refund the money he lost as part of a fake job scam.

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 R was contacted via a messaging service by a scammer that I will call C. C persuaded Mr R that they worked for a company that I will call B that would pay him for completing a series of tasks online. Periodically, while completing these tasks, he was asked to “top up” his account by paying B.

Mr R then made around 11 transactions totalling around £22,000 via card payment, open banking and faster payments to crypto exchanges and current accounts he held with other providers. My understanding is that the funds were then sent on to B. Mr R also sent funds from at least three other current account providers to B as well.

When Mr R attempted to withdraw the “income” that he could see on B’s ‘platform’, he was told that he had to pay additional fees to clear a negative balance which would allow him to withdraw the “income” he had earned. At this point Mr R realised that he had been scammed.

Mr R asked NatWest to refund these payments, as he believed NatWest should have done more to prevent him from being scammed in the first place. NatWest did not agree with this.

One of our investigators looked into this matter and she thought that, given the answers Mr R gave during interactions with NatWest and his other current account providers, any intervention from NatWest would not have stopped the scam. She therefore did not uphold this complaint.

Mr R 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 R 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 R 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.

NatWest intervened towards the end of the scam and asked some questions about what the payments were for. I think that NatWest should probably have intervened earlier in the scam as the volume and pattern of payments is indicative of someone who is being scammed - even if most of the funds were going to an account in his own name.

That said, even if NatWest had asked more probing questions and provided tailored warnings, I don't think that this would have stopped the scam. I say this for a number of reasons.

In NatWest's two intervention calls Mr R provided answers to questions that were intentionally misleading. Such as him saying that the payments were for furniture, to pay back a friend and for his family in India. I note that there were some inconsistencies in the answers that he gave in the first call but in the follow up call the answers he provided were more consistent and reassured NatWest that the payments were not part of a scam.

I think that these calls should have been better and further questions should have been asked. But I think it likely had NatWest intervened more and asked more probing questions, Mr R would have given answers designed to allay the suspicions of NatWest. I also don't think that any warnings given by NatWest would have stopped Mr R from carrying on with the payments he was making.

Over the course of the scam Mr R was provided with a number of scam warnings and yet Mr R carried on with the payments regardless. You could argue that the warnings that Mr R was being provided did not relate to the scam that Mr R was actually falling for. But this was because of the answers that Mr R was giving when asked why he was making the payments in question.

Even if NatWest had stopped the payments in questions given the inconsistencies in the answers that he was providing about the payments I don't think this would have stopped the scam. I say this because Mr R was clearly under the spell of the scammer at the time the payments were made. This is demonstrated by him actively trying to find other ways of making the payments any time a method of payment was declined. In the chats in the scam group chat Mr R can be seen asking for different ideas for alternative payment methods he also says (I have removed the company names and replaced them with X and Y) *"X had blocked my transfer suspecting scam" "Y stopped suspecting scam" "...so trying other methods now"*

So, I think that had NatWest stopped the payments completely he would have sent payments via other means on the recommendation of the scammers in the group chat.

I note that Mr R's representative has explained that further action was warranted due to the answers he gave in the intervention calls and that NatWest should have invoked the banking protocol. While I've considered Mr R's representative's points on this, invoking banking protocol isn't a banking requirement but rather, it is a tool that can be used by banks - where appropriate - to help identify and prevent customers from falling victim to a scam.

Thinking about the circumstances in this complaint, I think it was reasonable for NatWest not to invoke the banking protocol given the answers that Mr R gave. The answers that Mr R gave whilst inconsistent were by the second call in my view not concerning enough for the banking protocol to be invoked. That said I am also not persuaded that had the banking protocol been invoked that it would necessarily have stopped the scam as it is clear that Mr R was not going to say the real reason, he was making the payments. I do agree though that more questions should have been asked based on the answers Mr R gave during his calls with NatWest but for the reasons set out above I don't think that this would have stopped the scam.

I note that Mr R had been scammed before a few months prior to this scam. But given that amount involved was minimal and the funds were refunded I don't think that NatWest should have been on alert that these new payments could have been part of a recovery scam or that Mr R was particularly vulnerable to being scammed. I accept that this should though have prompted further questions in relation to some of the payments Mr R made especially those to crypto exchanges but again for the reasons set out above I don't think that this would have stopped the scam.

Taking everything into consideration, I think that NatWest should have intervened more than it did. But even if it had intervened further, I don't think the scam would have been stopped.

I've also thought about whether NatWest could have done more to recover the funds after Mr R reported the fraud.

NatWest are under no obligation to refund the money to Mr R under the Contingent Reimbursement Model (CRM) Code as payments were made to accounts in his own name.

I have also thought about whether NatWest could have contacted the receiving banks to recover the funds but given the timescales involved before the scam was reported I think the funds would most likely have been moved on.

In relation to whether a chargeback could have been raised for the debit card payments to the crypto exchanges these payments were essentially to transfer funds from one account held by Mr R to another account which is what happened, so I don't think there are grounds for a chargeback. Overall, I don't think NatWest could have recovered the funds via other means.

I appreciate this will likely come as a disappointment to Mr R, 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 R to accept or reject my decision before 23 October 2024.

Charlie Newton
Ombudsman