

## The complaint

Miss G, acting on behalf of Mr G, complains that National Westminster Bank Plc (NatWest) will not refund the money lost from Mr G's account when Miss G was the victim of a scam.

Miss G has third party access to Mr G's account, and as the circumstances of this complaint relate to her dealings with NatWest, I will refer to Miss G throughout this decision, even though the account is in Mr G's name.

## What happened

In December 2023 Miss G was contacted by someone claiming to be from NatWest, they asked her if she was aware of two transfers from a joint savings account held with her father, into a savings account in Miss G's sole name. They also said that loans had been taken out in her name. Miss G did not recognise any of those payments, and was told she'd be contacted by someone from the Financial Conduct Authority (FCA) to tell her what to do next.

Miss G received a call as expected, and was told that employees of NatWest may be trying to defraud her and her parents. To protect their money, she was told she must move the funds out of NatWest to other accounts she and her parents held elsewhere, before moving those funds on to new 'safe' accounts. Unfortunate, and unknown to Miss G, the people she was speaking with were not legitimate representatives of NatWest or the FCA, they were scammers.

Over the course of two days Miss G made the following payments out of the NatWest account:

Payment	Date	Time	To	Amount
1	06/12/2023	10:19	Miss G's account with B	£4,500
Cancelled	06/12/2023	10:33	Third party account	£14,565.65
2	07/12/2023	10:21	Miss G's account with B	£19,500
3	07/12/2023	11:30	Miss G's account with B	£17,000

Miss G has said that through the duration of the scam she was on the phone with the scammer for many hours, and they told her what she needed to do at each stage.

The payment Miss G attempted for £14,565.65 was stopped by NatWest, and it asked her for details of what this payment was for and why it was being made. NatWest was concerned about this payment as it appeared to have been made from a new device, so it asked Miss G to go into branch with ID before it would allow the payment to be made. Miss G did so, but

on attending branch she decided to cancel the payment. But she then went on to transfer further funds out of the account and on to the scammer later that day.

Late on 7 December, when the scammer had not contacted Miss G for several hours, she became concerned. And on contacting NatWest to find out what was happening she discovered she had been the victim of a scam and Mr G's money had ultimately been sent to a scammer.

NatWest considered the circumstances, but did not think it was liable for any of Mr G's loss. It said that money had been moved to accounts within Miss G's control, so felt it was not the point of loss here. Miss G was unhappy with NatWest's response, so she referred the complaint to our service.

One of our Investigator's looked into what had happened, and they felt NatWest could have done more to uncover the scam when Miss G visited the branch. So, they recommended that NatWest refund the payments made after that time, minus a 50% deduction for Miss G's own contributory negligence.

Neither Miss G nor NatWest accepted these findings. Miss G maintains that Mr G's loss should be fully refunded. NatWest has said that it would not have been able to uncover the scam as Miss G was not honest with it about what the £14,565.65 payment was for. And it said that the payment made after this were to accounts within Miss G's control that were established payees on the account. It also questioned whether any of the bank's the funds had ultimately been moved on to had been able to recover any of the loss.

I recently issued my provisional decision on this complain, explaining why I did not consider that NatWest should be liable for Mr G's loss. NatWest accepted my provisional decision, Miss G did not, and has provided a detailed response setting out why she feels it would be fair for the loss to be refunded to Mr G's account.

### **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.

In my provisional decision I explained the following:

*"It's not disputed that Miss G authorised the payments that are the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Miss G (on behalf of Mr G) is responsible for them. That remains the case even though Miss G was the unfortunate victim of a scam.*

*Because of this, Mr G is not automatically entitled to a refund. Nonetheless, the regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.*

*Taking the above into consideration, I need to decide whether NatWest acted fairly and reasonably in its dealings with Miss G, or whether it should have done more than it did.*

*The first payment that Miss G made to the scam was for £4,500, this was to an account held with 'B' that was in Miss G's own name, NatWest has said this was an existing payee. I appreciate that £4,500 is a fairly large amount, and that the NatWest account was generally*

*not used for such high payments. But given that this payment was to an existing payee in Miss G's name, I don't think there were any particular red flags regarding this payment which should have caused NatWest any concern.*

*The next payment Miss G attempted was considerably larger, for £14,565.65, and to a new payee – which appeared to be a construction firm. Given the size of this payment and that it was to a new payee, I consider that some intervention by NatWest was appropriate at this stage. And NatWest did intervene here, they asked Miss G to call them before the payment could be made.*

*I've thought carefully about what was said during this call, and it is clear now that Miss G was not being honest with NatWest about what was going on. This is understandable, given that she had been told by the scammer that a NatWest employee could be involved in the fraud, but it does mean that NatWest had to base its decisions regarding the payment Miss G was making (and any following payments) on what it had been told, rather than on the real facts of the situation.*

*Specifically, Miss G told NatWest she was making the payment for building work being done on her flat, that the work would be starting in January, that she was making a payment for materials, that she had seen a breakdown of the costs, that the builder had been recommended by a friend, and that she had received the payee details face-to-face. However, there was some inconsistency regarding how the payment had been made, NatWest said it had been made using a laptop, whereas Miss G said she had made the payment herself using her usual device.*

*Due to this mis-match in details, NatWest blocked the account and asked Miss G to visit a branch to confirm her identity. Crucially, following this conversation NatWest's concern appears to be that it was perhaps not Miss G who had made the payment, not that she might be at risk of being scammed. Miss G has said she feels she came across as distressed during this call, but I don't agree, she answered NatWest's questions clearly and without any obvious signs of distress or concern.*

*So, when Miss G attended the branch the next day, with proof of her identity, NatWest was satisfied that its concerns had been addressed. Miss G cancelled the payment to the third party at this time, and given what it knew at that stage, I don't consider that NatWest could reasonably have been expected to question Miss G further about the payment she had decided to cancel when she was in branch. As far as NatWest was aware, Miss G had attempted a payment to a third party for building work, and had decided to cancel that payment. I can't see that any of the actions Miss G had taken or anything she had said up to this point would have indicated to NatWest that she was at risk of a scam.*

*When in branch, Miss G suggested to NatWest that she would be making a payment to her own account later that day, and that is what she did – she made two payments for £19,500 and £17,000 to her account at B. These were large payments, but given that NatWest was aware that Miss G had already been intending to make a large payment to a builder, and that the payments were to her own account (which was an established payee on the NatWest account) I think it is reasonable that NatWest did not identify these as high risk payments.*

*But in any case, as I have noted previously, Miss G has said she was being guided and coached by the scammers on what to say regarding her payments at every single stage of the scam. And we've seen from her earlier interaction with NatWest and from her interactions with other banks involved in the payment journey, that she did take steps to conceal the real purpose of the payments she was making. I think it is reasonable to conclude that, had NatWest insisted on speaking with her to find out about the*

*circumstances surrounding the final two payments she made to the scam from this account, it is more likely than not that Miss G would have again acted on the instructions of the scammer and taken steps to hide the true purpose of the payments.*

*I want to make it clear here that I can entirely understand why Miss G took the steps she did, given that she honestly believed her and her parents money was under threat. So, I am not saying that she acted maliciously or should be blamed for her actions, but the fact remains that what NatWest knew, or would likely have been told about these payments, would most likely not have led to any concerns that Miss G was being scammed.*

*I think it's also worth noting that, at various points during the scam, both NatWest and other banks gave Miss G warnings relating to the specific scam she was falling victim to. These warnings highlighted relevant red flags such as:*

- *Asking if she had been told to move her money unexpectedly;*
- *Asking if she had been told to lie or give a false story about payments;*
- *Warnings that scammers can impersonate banks;*
- *Warnings that if she has been asked to move money to a safe account then that is a scam;*
- *Warnings that scammers will often tell their victims not to trust the bank or to lie to the bank.*

*All of these points should have resonated with Miss G, given what was happening to her, but she was clearly so far under the spell of a sophisticated scammer that these warnings were not able to break that spell. And Miss G continued to make payments to the scammers despite being warned of exactly the scam she was a victim of.*

*With all this in mind, I don't think I can reasonably say that NatWest should have done more to intervene or that if it had intervened it would have been likely to expose the scam and stop Miss G from making any further payments. So, I am currently intending to find that NatWest did not miss an opportunity to protect Miss G from this scam or to prevent the loss incurred on Mr G's account.*

*I'm sorry to disappoint Miss G as I know that she has lost a significant amount of her and her parents' money here. And she was the unfortunate victim of a very sophisticated scam, so I want to reiterate that I am in no way saying that she is at fault for what happened. But in all the circumstances of this complaint I don't think I can reasonably say that NatWest should be responsible for Mr G's financial loss, so I do not currently intend to tell it to refund any of the disputed payments to Mr G's account."*

Miss G has provided a detailed response to my provisional decision, and I appreciate her taking the time to do so.

Miss G feels I have ignored the internal transfers that preceded the payments to the scammers, and I want to reassure her that I did think about these payments when making my decision. But the evidence I have seen does not suggest that these payments were made as a result of any failing on NatWest's part. And, in any case, these internal transfers were not the point of loss, and there is no dispute that the payments that were ultimately made out of NatWest were made by Miss G.

Miss G has also referred to the attempted payment to the construction firm, saying that she did not set up this payee herself. That may be the case, but Miss G was aware of this payment, as she discussed it directly with NatWest. In any case, this payment was unsuccessful, so while it forms part of the background to the events that took place here, it is not part of the financial loss I am considering in this decision.

I also want to reiterate that I entirely understand that Miss G was manipulated by the scammers, she sincerely believed she was talking to NatWest and so did as she was told to protect her and her parents' money. The actions Miss G took are entirely understandable in the circumstances. I also don't doubt that she was under extreme stress at the time.

However, what I need to consider here is whether NatWest could have done anything to uncover the scam. And, given the extent to which the scammers were apparently coaching Miss G on what to say and do, and that when she spoke with NatWest she was able to provide plausible explanations for the payments and doesn't appear to have been showing obvious signs of distress, I think it is reasonable that NatWest acted on what it knew and was told, particularly given that it did provide some warnings relevant to Miss G's situation. I understand why these warnings didn't stop Miss G from making the payments, but based on what it had been told and what it knew about the payments I can't see that it would be fair to say that NatWest should have done more.

I want to be clear, I do not think Miss G is at fault here, but the criminal party here is the scammer, not NatWest. I am satisfied that NatWest did all I could expect it to do in the circumstances, but would not have been able to protect Miss G from this scam because of the high level to which she was being manipulated and coached by the criminals who were scamming her.

I understand the significant impact this will have on Miss G, and on her parents, and I am sorry to give her such disappointing news. But bearing in mind all the circumstances of this case I cannot fairly say that NatWest should be responsible for her loss.

### **My final decision**

I do not uphold this complaint.

Sophie Mitchell  
**Ombudsman**