

The complaint

Mr S is unhappy with the service National Westminster Bank Plc provided after he was the victim of an authorised push payment (APP) scam.

What happened

Where the circumstances of the complaint are well known to both parties, I won't detail them again here. Rather, I'll focus on setting out the key reasons for my decision. I hope Mr S and NatWest won't take this as a discourtesy; it's just a reflection of the informal nature of our service.

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's findings for broadly the same reasons, which I will go on to explain. Before I do so, I want to acknowledge that I understand my decision will be disappointing to Mr S. But based on the evidence, I am not persuaded that NatWest ought to refund the disputed transactions.

It's not in dispute that Mr S authorised the payments in question. He fell victim to a task-based job scam where he sent £25,150 to the scammer between 10 and 16 January 2023. While I accept that Mr S didn't intend for their money to go to the fraudster, under the Payment Service Regulations 2017 (PSRs) Mr S is presumed liable for the loss in the first instance as the payments were authorised by him.

This is unless there is sufficient evidence that NatWest ought to have fairly and reasonably have done more to protect him. For example, by failing to act on clear triggers of unusual or uncharacteristic activity on an account.

To put it another way, NatWest has a responsibility to monitor accounts and payments, and one of the reasons for this is to prevent fraud and scams. NatWest needs to have systems in place to look out for unusual transactions or other signs that might indicate its consumers are at risk of fraud (amongst other things). With that in mind, I've considered whether NatWest should have considered these payments as being so unusual or uncharacteristic that it ought to have given the bank sufficient grounds for suspecting fraud.

Having done so, I am satisfied that the £25,150 made to the scammer over a six-day period was unusual, uncharacteristic behaviour and expenditure the account. As such, I think it is reasonable to conclude that this ought to have triggered NatWest's fraud detection system. So, I think NatWest ought to have contacted Mr S and asked him to provide further details about the payment in question.

However, I have gone on to consider the events that followed the payments in question. Mr S tried to make a further payment of £1,000. This did trigger NatWest's fraud detection systems, and Mr S was asked to contact its fraud department to discuss the payments in

question. I have listened to that call, and I am satisfied that Mr S was made aware that the payment was put on hold by its automated fraud and scams profiling system. The agent went on to ask Mr S, what the payment was for, who recommended the company to him. He also explained that it had received numerous calls about the company in question from other consumers. He went on to explain that based on the consumers answers the payment was going to be stopped as he suspected the consumer was a potential victim of a scam. So, I am satisfied NatWest made the customer aware the payment was being stopped due to the fact it suspected this was a scam. Mr S said he understood but then proceeded to ask NatWest if it would authorise another transaction to the same recipient. NatWest explained it wouldn't. Mr S then proceeded to make the payment from another account which he had with an electronic money institution.

So, I don't think NatWest's failure to intervene sooner or probe further could reasonably be considered as the proximate cause of Mr S' loss in this circumstance. I say this because, despite his payment being stopped because NatWest considered he was a victim of a scam, Mr S circumvented the process and still proceeded to make the payment via an EMI, resulting in a loss of funds. As such, I find it likely, that if NatWest had intervened sooner and stopped the payments going through, due to Mr S' concerns about not getting his money back, he would have continued to make the payment via his EMI account, resulting in a loss of funds.

Therefore, while I agree that Mr S payments ought to have triggered NatWest's fraud detections systems, I am not persuaded that NatWest's intervention would have resulted in Mr S doing anything differently.

I have gone on to consider if NatWest took reasonable steps to try and recover the funds. It's important to note that Mr S didn't ask NatWest to send the money directly to the scammers account but instead to a crypto currency wallet in his name. And NatWest did as Mr C requested. I am persuaded that it was highly unlikely that NatWest would be able to facilitate the recovery of the payments after they were moved on from his crypto currency wallet to the scammers account. So, I don't think I can hold NatWest responsible for Mr S being unable to recover his funds.

All things considered, and despite my natural empathy for this cruel scam and the situation Mr S finds himself in having lost his money, I'm not persuaded NatWest taking different actions would have prevented the payments being made, or the loss that ensued, for the reasons I have explained. It follows that I do not consider it fair or reasonable to require NatWest to do anything further.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 December 2023.

Jade Rowe
Ombudsman