

The complaint

Miss C complains that she was scammed and National Westminster Bank Plc (NatWest) won't refund the money.

What happened

What Miss C says:

Miss C was refurbishing a house with her sister and with the support of her mother. She agreed a building plan with a sole trader (who I will call 'A'). She made four payments from her NatWest accounts as follows:

Date	Method of payment	Amount
23 January 2023	Faster payment from bank account	£2,430
23 January 2023	Faster payment from bank account	£3,000
27 January 2023	Faster payment from bank account	£4,722.5
30 January 2023	Faster payment from bank account	£2,430
Total		£12,582.85

Miss C says that the sole trader ('A') never intended to complete the job. He hadn't completed the work, and not all the materials paid for had been delivered or used. And the kitchen units were never delivered – the cost of those was £4,722.85. She said this was a scam and NatWest should've protected her when she made the payments, but didn't. She also said NatWest should refund her under section 75 of the Consumer Credit Act (CCA).

Miss C says the episode left her feeling very stressed and she is undergoing therapy. She now has a loan with nothing to show for it – the property isn't in a liveable condition. She has had to move in with relatives, which isn't at all ideal.

What NatWest say:

NatWest issued two final responses. They said a claim under section 75 of the CCA wasn't applicable, as this could only be considered if payment (or part payment) was made with a credit card. And in this case, Miss C had paid A directly from her bank account, so a section 75 claim couldn't be looked at.

NatWest said Miss C's claim was a civil matter – as a dispute between two parties. Miss C

should contact the Citizen's Advice Consumer service – and gave contact details.

Our investigation so far:

Miss C brought her complaint to us. Our investigator said there couldn't be a claim under section 75 because the payments were made from Miss C's bank account, not by credit card. He said this was a civil dispute between Miss C and A – and NatWest couldn't be held liable for what happened.

Miss C asked that an ombudsman look at her complaint, and so it has come to me to do that.

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.

As a first step, I need to decide whether this was a scam (where a scammer takes money from a customer with no intention of providing any services or returning the money to them) or a civil dispute (where a payment is made to a legitimate trading company or business, but the promised services or products don't materialise, or are sub-standard).

If this was a scam – then banks (including NatWest) must follow industry and regulatory guidance to check certain payments and in some circumstances, protect customers by stopping the payments and contacting customers about them. And where banks haven't followed the guidance, they can be asked to refund them. This is called 'Authorised Push Payments' guidance (APP).

But where payments are made to a business for work to be done, then such principles don't apply.

I therefore looked at Miss C's complaint with this in mind. I can see this is clearly a civil dispute between Miss C and A. I say that as:

- In emails between A and Miss C in February 2023, it's clear there was a breakdown in trust between himself and Miss C – about the amount of work completed and the non-delivery of the kitchen units.
- There was an invoice for the kitchen appliances. A stated that the kitchen had been bought and paid for, and said he would deliver the units to the house – at the time he said he wouldn't be doing any more work because of the breakdown with Miss C.
- A said work on the bathroom and kitchen flooring had been completed, and plastering had been done – and showed a photo of that.

Therefore, I consider Miss C's complaint to be a civil dispute – and therefore not for consideration under the APP principles banks work to. I consider this to be a private civil dispute which the bank isn't responsible for putting right.

Miss C has also said a refund should be pursued by NatWest under section 75 of the Consumer Credit Act. Section 75 can provide refunds where services and/or goods are bought with a credit card - but which don't materialise or are sub-standard. But here, I'm sorry to say that this could only be considered if some, or all of the amounts paid to A was with a credit card. And here – Miss C paid A from her bank account. So - section 75 doesn't apply.

I can only suggest that Miss C must pursue A as a civil claim – by approaching (as NatWest said) a body such as Citizen's Advice Bureau as a first step, or even considering a court action. But – that is a matter for her, and not something with which we can be involved or advise on.

I'm sorry that Miss C has lost money in a dispute with A, and for the situation she finds herself in – but in all fairness, this isn't something we can expect NatWest to have intervened in, or stopped the payments. Therefore, I'm not upholding this complaint.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 8 January 2024.

Martin Lord
Ombudsman