

The complaint

Mr T complains that National Westminster Bank Plc (NatWest) will not refund the payments he made from his NatWest current account which were subsequently lost to a scam.

What happened

The details of this complaint are well known to both parties. So rather than repeat them all again here, I will focus on giving the reasons for my 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.

- In line with the Payment Services Regulations 2017, NatWest is expected to execute authorised payment instructions without undue delay. It is now accepted by both parties that Mr T authorised these payments. He transferred the funds to an account he set up with another firm (R). From there, they were passed on to the scammer. And so, while it is also accepted that Mr T ultimately lost these funds to a scam, the starting position is that he is liable for the payments he made.
- However there are some situations where we believe that banks—taking into account relevant rules, codes and best practice—ought to have identified a fraud risk, so should have looked at the wider circumstances surrounding the transaction before making the payment. If NatWest failed to do so, and that failure led to a fraudulent loss, it might be fair to hold it liable.
- NatWest did, in fact, identify several of these payments as suspicious and it called Mr T to question him about them. So I have considered whether NatWest did enough to try to protect Mr T during those calls.
- In these intervention calls, Mr T told NatWest he was transferring the payments to his own account with R. He confirmed he had set it up recently by himself and had control of it. NatWest asked how he found out about R and whether it was a recommendation or his own research. He confirmed it was the latter.
- NatWest asked why he was moving money to this other account. He said it was to organise his money; it was just personal; and made reference to doing something for his mum. During the calls, NatWest also gave Mr T some warnings about various types of scams. For example, it asked if anyone had asked him to lie to the bank (he confirmed no one had) and explained it would never ask him to do so or ask him to transfer money to another account.
- In actual fact, Mr T had been directed to set up the account with R by the scammers in order to make cryptocurrency payments. This was not connected to his mum, or a matter of simply reorganising his money; it was to make onward payments for investing.
- Mr T has said NatWest did not ask him the right questions and did not specifically warn him about investment scams when it intervened. But the question it asked were informed by what information it had – including what it was told by Mr T.

- These were payments going to another account Mr T held, as he told NatWest at the time. When NatWest asked him why he was paying the money to this account, he made no mention of it being for investing and gave other explanations. And so I do not think NatWest had reason to specifically mention investment scams. The payment destination, and Mr T's answers, did not reasonably give an indication that he was likely at risk from that type of scam.
- In the circumstances, I therefore do not think NatWest is at fault for failing to prevent Mr T's loss. It asked reasonable questions to establish whether Mr T was at risk from fraud, and relied on his responses in determining whether to act on his authorised instructions. It could not recover the funds as they had been transferred on from Mr T's account with R on to the scammers.
- I do appreciate what Mr T has told us about his mental state at the time, which he considers made him more vulnerable to the scam. I am conscious that scammers can use sophisticated techniques to trick and manipulate their victims, and it is understandable that this has been an upsetting incident for Mr T. It is the scammers who are responsible for this. It was not NatWest who perpetrated this scam nor have I found it to be at fault for his loss. From what I have seen, they were not aware in advance of any vulnerabilities Mr T was facing such that it ought to have known to provide further or different support.
- Mr T is also unhappy with how NatWest handled things when it was looking into the scam. For example, he says he was treated like a criminal when he visited branch in relation to a block being placed on his account connected to the scam. He has also mentioned being unhappy with how some calls were handled by NatWest, and says he was not notified of the outcome of his scam claim for some time.
- NatWest blocked the account after it received notification of disputed funds being paid into Mr T's account. I consider that reasonable and it has to follow the correct processes when such a dispute is reported. It would need to investigate how the money came to be in Mr T's account before it could fairly divulge further details to him or remove the block.
- I appreciate how stressful this was for Mr T. But NatWest had explained he would need to wait to receive an email from the relevant team. As the matter was not being looked into by branch staff, there was not much they could do to assist him. I understand that will have been frustrating. But the branch staff say the police were called as Mr T shouted and swore at them and refused to leave. And I cannot see this has been disputed.
- Overall, NatWest followed the processes I would expect it to when such a notification is received. And it was within its rights to take action to protect its staff. While I do not doubt the impact this had on Mr T, I do not think NatWest acted unfairly.
- It is for our service to determine what information we need, and I am satisfied I have enough information to reach a fair outcome on this case. Here, while Mr T is unhappy with NatWest's contact regarding the scam, I am satisfied it does not need to take any further action to put this right. Ultimately, I have come to the same conclusions as NatWest about whether it is liable for his loss. And once it had issued its final response, he was able to refer the matter to our service to consider rather than pursuing things with the bank directly. I would also clarify that his concerns about connected issues – such as about the loan he says was taken out by the scammers, and the credit card payments he is disputing – are being considered separately.

I appreciate this will be disappointing for Mr T, who I fully accept has been the victim of a cruel and sophisticated scam. But for the reasons given, I am not persuaded NatWest is at fault for his loss.

My final decision

For the reasons given above, my final decision is that I do not uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 2 August 2023.

Rachel Loughlin
Ombudsman