

The complaint

Mr G complained because National Westminster Bank Plc refused to refund him for payments which he said he'd made because someone had blackmailed him.

What happened

On 17 May 2023, Mr G made two payments from his NatWest credit card. One was for £100 and the other for £200, and they went to an intermediary money transfer company. As part of the authorisation process, NatWest sent a text to Mr G's registered number, to check whether or not the transactions were genuine. Mr G confirmed that they were. On 26 May, he made another payment, this time for £500.

On 28 May, Mr G rang NatWest. He said he'd been the victim of blackmail. He'd exchanged images online with someone, and then the blackmailer had told Mr G that he'd have to pay to have them deleted. Mr G had then made the three payments totalling £800.

NatWest blocked Mr G's card to prevent any further payments, and advised him to contact the police and Action Fraud, which he did. But NatWest didn't agree to refund Mr G for the £800 he'd sent to the blackmailer. Mr G complained. He said that he wanted a refund, and he was also unhappy that during a call to NatWest on 5 June, the call had dropped after he'd been on hold for half an hour.

In NatWest's final response to Mr G's complaint, it said that:

- it had credited Mr G's credit card with £50 as an apology for the service provided in relation to the dropped call;
- as Mr G had carried out the payments himself, it didn't count as fraud. So NatWest wouldn't refund him.

Mr G wasn't satisfied and contacted this service. He wanted a refund of the £800 plus the associated £9 cash fees. He said his mental health had been affected because of the financial loss, and because of the stress of telling the bank about what had happened. He said he'd lost trust in the bank to use its commercial clout to stop this blackmail.

Our investigator didn't uphold Mr G's complaint. She said she understood that Mr G had been through a very difficult time. But she explained that the regulations say that a payment is authorised if the payer has consented to it. And Mr G had instructed NatWest to make the payments. So NatWest didn't have to refund him.

Mr G wasn't satisfied. He said he wanted some form of goodwill gesture from NatWest, as he'd been with them for a long time. He said he accepted the compensation they offered for dropping the call, but thought NatWest could have done more. Mr G asked for an ombudsman's 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.

I recognise that Mr G has had a stressful experience being blackmailed, and I'm sorry to hear that. But the role of this service is to assess what happened, in the light of the regulations, and to decide what's fair and reasonable.

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them.

Here, it's not disputed that Mr G instructed NatWest to make the payments, and the technical evidence shows that. And NatWest also sent a text to Mr G at the time of the first payment on 17 May to check whether he was genuinely authorising the payment. Mr G confirmed that it was genuine. So NatWest couldn't have known that Mr G was being blackmailed at the time the payments went through, because he didn't tell them. So it wouldn't be reasonable to expect NatWest to have blocked the outgoing payments, which Mr G had authorised.

Under the regulations, the fact that Mr G authorised all three payments means that he's liable for them. So NatWest doesn't have to refund Mr G for the payments.

Mr G told our investigator that he accepted the £50 compensation which NatWest had paid him for dropping the call, but he wanted NatWest to have done more, because he'd been with the bank a long time. I've considered Mr G's request. But apart from dropping a phone call, I haven't found that NatWest did anything wrong. Mr G authorised the payments and NatWest paid them as he'd instructed.

I recognise that Mr G was stressed and upset, but ultimately that was caused by the blackmailer, not by NatWest. However sympathetic NatWest might have been to Mr G's misfortune, it didn't have any duty to refund him for the transactions out of sympathy. I consider that the £50 compensation for dropping the call was more than fair, so I don't require NatWest to pay Mr G more.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 November 2023.

Belinda Knight
Ombudsman