

The complaint

Ms F complains about National Westminster Bank Plc (NatWest).

She says that NatWest didn't do enough to protect her when she became the victim of a scam and would like NatWest to refund her the money she has lost.

What happened

The details of what happened are well known to both parties here, so I won't repeat them at length here but will summarise the main points.

In late January 2021, Ms F signed up to a dating site called 'Scouts'. She was targeted by an individual (referred to herein as the scammer) who persuaded her that they were in a relationship, and he was going to travel to the UK to join her.

Unfortunately, Ms F was taken in by the scammer, and believed the elaborate lies that he told her – she believed that the relationship was genuine and that they were going to begin a new life together.

The scammer convinced Ms F to begin sending him money via a money transfer service for a variety of different reasons, which Ms F obliged with from various bank accounts including her account with NatWest.

Ms F made payments totalling £12,185.20 from her bank account with NatWest between 24 April 2022 and 22 November 2023. All payments were made using her debit card via a money transfer service.

Ms F made a complaint to NatWest about what had happened – but it didn't uphold her complaint.

Ms F then brought her complaint to this Service. Our Investigator looked into things, but didn't think that it should be upheld.

Ms F then asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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've decided not to uphold this complaint for broadly the same reasons as our investigator. I know this will be very disappointing for Ms F, so I'll explain why.

It isn't in dispute here that Ms F has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

In broad terms, the starting position at law is that a banks, electronic money institutions (EMI's) and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSRs) and the terms and conditions of the customer's account.

Ms F authorised the payments in question here – so even though she was tricked into doing so and didn't intend for her money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, NatWest should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider NatWest should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

This leads me to consider if NatWest acted fairly and reasonably in its dealings with Ms F when she authorised the payments from her account, and whether it could and should have done more before processing the payments.

However, having considered the payments that Ms F made from her NatWest account, I don't consider that NatWest could reasonably have been expected to detect that Ms F was being scammed. While the total of Ms F's payments was substantial, they were made over a very long period of time – and the highest payment Ms F made was for £502, with the remaining payments ranging from £12.90 to about £270. I don't consider these amounts to

be unusual or suspicious enough to have warranted any intervention – and as I've explained above, businesses can't be expected to be involved in every transaction.

I should also say that even if NatWest *had* got in touch with Ms F about what she was doing, I don't think that it would have been able to stop her continuing with the payments anyway. Ms F had already been warned by family and friends not to send any money to the scammer. She also continued to send money for six months after she first reported the scam to NatWest – and although she brought her complaint to this Service in May 2023, she was still sending money to the scammer up to November 2023.

I know that Ms F says she has sent in a lot of evidence about her complaint – and I know that she has sent in everything she has to show that she has been scammed. But the fact she has been scammed is not in dispute here. So, while I know that she was truly taken in and tricked, what I am looking at here is if NatWest could possibly have prevented what happened, and I don't think that it could.

I've also considered if Ms F could try and reclaim any of her money through alternative methods such as by chargeback, or through the Lending Standards Board Contingent Reimbursement Model (CRM) code - but I am afraid that there is no opportunity for Ms F to utilise either of these avenues.

Chargeback is a process by which disputes are resolved between card issuers (in this instance NatWest) and the merchants (here the money transfer service Ms F used). Chargeback isn't a right, but this service does consider it good practice to raise a chargeback, if within the time limits and if there is a reasonable prospect of success.

But I don't think that a chargeback has any reasonable chance of success here. Most of the payments are out of time, and in any event, the only claim that could be raised would be against the money transfer service Ms F used – and it acted on her instructions to transfer the money on her request. This means the service she paid for has been provided to her and there would be no possibility of a successful claim.

Finally, the CRM code doesn't apply in this case. That is because it applies to faster payments made to a UK beneficiary – and in this case, the payments were made by card to an overseas account.

I am very sorry for the situation Ms F now finds herself in. She has been tricked and manipulated by a cruel scam, and I know this has left her feeling very upset and embarrassed by what has happened. But in order for me to uphold this complaint, I would need to find that NatWest did something wrong, and I don't find that it has on this occasion.

I would also urge Ms F to apply extreme caution going forward with regards to financial matters – I do think it is likely she will be targeted and contacted by the same scammer, or by another scammer, or by someone pretending they can retrieve her money as part of a 'recovery scam', which is a common tactic used to target those who have previously lost money. She may wish to visit the Financial Conduct Authority (FCA) 'ScamSmart' website.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 23 May 2024.

Claire Pugh
Ombudsman