

## The complaint

Mr B complains that National Westminster Bank Plc (NatWest) won't refund money he paid to a builder.

## What happened

### *What Mr B says:*

Mr B says he made a contract with a builder to have various works done at his house. He says the contract included five years warranty. He paid £21,000 in advance of work being done.

The payments were:

Date	Payment type	Amount
11 February 2020	Online payment to builder	£7,080
3 March 2020	Online payment to builder	£7,080
14 April 2020	Online payment to builder	£7,080
<b>Total paid</b>		<b>£21,240</b>

He then found out the person was doing this as his last job before closing down his business. He left the work incomplete and suggested he got it finished by using someone else.

Mr B says he acted in good faith in making the payments and was defrauded. He says he's been left financially and mentally scared.

Mr B complained to NatWest in May 2023. He says NatWest should refund the money as the builder misrepresented himself – he quoted the Fraud Act 2006.

### *What NatWest said:*

NatWest said this was not a scam, but a civil dispute. It should be resolved using other channels such as trading standards or the small claims court. The alternative legal actions could be discussed with a legal advisor.

### *Our investigation so far:*

Mr B brought his complaint to us. Our investigator didn't uphold it. She agreed it was a civil matter and it wasn't for NatWest to provide a refund.

Mr B asked that his complaint be looked at by an ombudsman, and so it has come to me to

make a final 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'm sorry to hear that Mr B has lost money as a result of the builder not completing the work he said he would.

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. This is then classed as a civil dispute, and for which banks normally have no liability.

I therefore looked at Mr B's complaint with this in mind. I can see this is clearly a civil dispute between Mr B and the builder. I say that as he had a contract for the work. It specified the work to be done, and the builder started the work – Mr B confirmed that in his call to NatWest in May 2023. So, there was an intention to carry out some, or all of the work – it wasn't a scam.

So in this case, I'm satisfied that this wasn't a scam – it involved an established builder, and this is a dispute between Mr B and the building firm. The way forward (as NatWest have said) is for Mr B to pursue the builder using his civil legal remedies. To decide what they are, he should speak to a solicitor or the Citizens Advice Bureau as a first step.

So – this is not a complaint where we would expect NatWest to refund any money that Mr B has paid.

**(continued)**

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 January 2024.

Martin Lord

**Ombudsman**