

## **The complaint**

Mr G complains that National Westminster Bank Plc would not refund money he paid to fraudsters.

## **What happened**

In December 2022 Mr G tried to purchase a product online, but he never received it, and he realised he had been duped by scammers. Since he had made the purchase in three payments using his NatWest debit card, he naturally asked NatWest to refund him.

NatWest accepted that Mr G had been the victim of a scam. But it said it was not obliged to refund him, because he had not paid the scammers directly. Instead, he had made his payments via a third party money remittance service. The third party had provided him with the service he had requested – namely, forwarding his money on to the intended recipient – and so NatWest declined his claim for a refund.

Mr G brought this complaint to our service, but our investigator did not uphold it. She said NatWest had not been negligent in preventing the payments being made in the first place, nor did NatWest have to refund Mr G once the fraud had come to light.

Mr G did not accept that answer, and so his complaint was referred for an ombudsman's decision. (That was in February; I would like to apologise to both parties for how long it has taken for this case to be assigned to an ombudsman.)

## **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 do not uphold it, for broadly the same reasons as my colleague. I will explain why.

I was sorry to read about how Mr G was deceived. That must have been unpleasant for him, and he has lost over £500. However, my role in this case is to consider whether NatWest has done anything wrong, not whether any third party has.

NatWest has systems in place to detect payments which look suspicious and might be fraudulent. Unfortunately they did not pick up on Mr G's payments in this instance, because they did not look out of the ordinary, and they were not made directly to the fraudster but to a reputable financial institution. I don't think I can fault NatWest here.

Once Mr G had discovered the fraud and reported it to NatWest, the bank looked into it from two angles: its fraud team investigated it as a series of fraudulent transactions, and the bank also considered whether it could raise a chargeback dispute as well. However, both of these potential remedies were frustrated by the fact that Mr G had made his payments via a third party. Since that third party did what it was supposed to do, NatWest had no remedy against it under the chargeback rules. And the chargeback rules do not allow NatWest to pursue a

refund from a recipient of the money who is one step further down the line from the first recipient, so NatWest could not raise a chargeback claim against the fraudster either.

For a similar reason – Mr G had not paid the fraudster directly, but had only paid a money remittance service and told it to forward his money on – NatWest's fraud team decided that it was not responsible for what had happened. Taking into account my finding that I don't think NatWest erred in not stopping these payments at the time, I think that NatWest's stance was reasonable.

### **My final decision**

So my 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 11 October 2023. But as this decision is final, we will not be able to reconsider it.

Richard Wood  
**Ombudsman**