

## The complaint

Mrs D complains that National Westminster Bank Plc won't refund a number of payments made from her account which she says she didn't make.

## What happened

In October 2021, Mrs D received a phone call from someone who said they worked for a mobile phone retailer. The caller said they were running a promotion at the moment, so could offer Mrs D some phones at reduced prices. And so Mrs D agreed to buy a number of phones, intending them to be for her family.

Mrs D says she thought she was making two payments from her two NatWest accounts to the mobile phone retailer, which were upfront payments for the phones. But she then received two phones that weren't the ones she had agreed to buy – which she has returned. And she later found out four additional payments were made out of her accounts via a money transfer service – which she says she didn't make. Mrs D then reported the additional payments to NatWest and asked it to refund the money she had lost.

I've set out the payments made out of Mrs D's accounts below:

Date	Account	Details	Amount
25 October 2021	From account ending 7644	To mobile phone provider 1	£100
26 October 2021	From account ending 1301	To mobile phone provider 2	£42.99
1 November 2021	From account ending 7644	Via money transfer service	£100
1 November 2021	From account ending 7644	Via money transfer service	£100.80
2 November 2021	From account ending 7644	Via money transfer service	£50.99
2 November 2021	From account ending 7644	Via money transfer service	£50.59
2 November 2021	From account ending 1301	Via money transfer service	£153.99

NatWest investigated but didn't agree to refund the payments, as it said Mrs D had approved them all in its mobile app. NatWest did offer Mrs D £50 compensation for the poor customer service she had received when raising her claim though. But Mrs D wasn't satisfied with NatWest's response, so referred a complaint to our service.

I sent Mrs D and NatWest a provisional decision on 24 July 2023, setting out why I wasn't intending to uphold this complaint. An extract from my provisional decision is set out below:

*"Did Mrs D make the payments?"*

*While Mrs D thought the first two payments of £100 and £42.99 were going to the mobile phone retailer she thought she was speaking to, they actually went to two different mobile phone providers. And those two mobile phone providers both sent her phones – albeit not the phones Mrs D thought she was buying. But Mrs D accepts she made these payments. So I haven't considered these first two payments here.*

*Mrs D says she didn't make any of the payments that were made via the money transfer service. But, generally, a business can hold a customer liable for disputed transactions on their account if the evidence suggests it's more likely than not that the customer made the payments themselves, or told someone else they could make them.*

*NatWest has sent us technical evidence showing how these payments were made. And from this, I'm satisfied all the payments were made using Mrs D's genuine card details. But this, on its own, isn't enough to allow NatWest to hold Mrs D responsible. So I also need to think about whether the evidence suggests it's more likely than not that Mrs D consented to the payments.*

*I've thought very carefully about this and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is likely to have happened, based on the evidence I do have.*

*NatWest's evidence shows that all the payments were approved by someone logging into Mrs D's mobile banking app and approving each one individually. And Mrs D hasn't said that she gave the caller, or anyone else, her mobile banking details.*

*NatWest's evidence also shows that the payments to the money transfer service were approved from the same device that was used to approve the payments to the mobile phone providers – which Mrs D accepts she made. And the payments were all approved from the same IP address that was used to log in to Mrs D's mobile banking on several occasions both before and after the payments were made.*

*So in order for someone else to have approved the payments, they would have needed to correctly guess her mobile banking details, take and replace her phone on several occasions without her knowing, and do this in a location she was often in – which I think is unlikely. And so I can't see how anyone other than Mrs D would have been able to approve the payments.*

*I appreciate how Mrs D feels about this case, but I'm afraid the evidence isn't in her favour. And, based on the evidence I have, I think it's likely she either made the payments herself or allowed someone else to do so. So I think NatWest has acted reasonably in holding her liable for them.*

*Did NatWest do enough to protect Mrs D?*

*Where a customer makes a payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer, even though they authorised the payment. But, even if Mrs D did make the payments as a result of a scam here, I still don't think it would be fair to require NatWest to refund them.*

*Banks are expected to make payments in line with their customers' instructions. And, for the reasons I've explained above, I think it's likely Mrs D made the payments or allowed someone else to do so. So while she may not have intended for the money to go to scammers, she did authorise the payments. And so the starting position in law is that she is liable for them and NatWest doesn't have to refund the money she lost.*

*Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I think 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 made 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.*

*So I've also considered whether NatWest should have identified that Mrs D was potentially at risk of fraud as a result of these payments.*

*But the payments out of her account, both to the mobile phone providers and the money transfer service, weren't for particularly large amounts. There were other payments out of Mrs D's account for similar and larger amounts in the months before the payments. And the payments didn't leave the balance of her accounts at particularly unusual levels or form a particularly suspicious pattern.*

*So I don't think the payments will have looked unusual to NatWest. And I think it's reasonable that NatWest didn't identify that Mrs D was potentially at risk of fraud as a result of the payments or ask any further questions before allowing them to go through.*

*Did NatWest do enough to help Mrs D recover the money?*

*Both mobile phone providers the first two payments were made to have accepted that the agreements for the phones that were sent to Mrs D were entered fraudulently. They've both closed the accounts they had opened in Mrs D name and appear to have refunded the payments to her. So I don't think NatWest needs to take any further action in relation to these payments.*

*The other payments were made via a money transfer service. And as there's no suggestion the money transfer service carried out the transfers incorrectly, there's no further action NatWest can take to try to recover these payments.*

#### *Customer Service*

*Mrs D also complained that the payments to the money transfer service were made after a block was applied to her account. And that, if the block had been applied correctly, NatWest shouldn't have allowed those payments to go through.*

*But I can see from NatWest's records that the block on Mrs D's accounts was applied in the evening of 28 October 2021. And while the payments to the money transfer service all left her account after this, they had all been approved in Mrs D's mobile banking app before this.*

*Payments made out of someone's account, particularly card payments, will often not be made immediately. There may be a delay of up to a few days before the company the*

*payment was made to claims the money. But the bank can't stop a payment after it has been approved. So while the payments hadn't left Mrs D's account before the block was applied, they had already been approved. And so NatWest couldn't stop them, even though the block was applied. So I don't think NatWest made an error here.*

*NatWest has offered to pay Mrs D £50 as compensation for the poor customer service she received when raising her claim. And I think this offer is fair and reasonable in the circumstances, so I don't intend to require NatWest to do anything further."*

I said I'd consider anything further Mrs D and NatWest sent in following the provisional decision, provided it was received by the deadline given.

### **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.

NatWest hasn't sent in anything further to be considered following the provisional decision.

Mrs D replied to the provisional decision, accepting that she made the first two payments of £100 and £42.99 but saying she didn't approve the other payments. She also said all the payments were showing as pending on her account until at least 30 August 2022.

I appreciate that Mrs D says she didn't approve the last five payments which were made via the money transfer service. But she hasn't sent us any more information about how someone else would have known her mobile banking details or been able to use her phone without her knowing. And without another plausible explanation or this, I still can't see how anyone other than Mrs D would have been able to make the payments. So I still think it's likely she either made the payments herself or allowed someone else to do so. And so I still think NatWest has acted reasonably in holding her liable for them.

I also accept that the payments were showing as pending after the block was applied to her account. But, as I explained in the provisional decision, the payments were all approved in her mobile banking app before the block was applied.

Card payments made out of someone's account will often not be made immediately. There can be a delay of several days before the company the payment was made to claims the money. And during this time, the payment will show as pending. But, even if it is showing as pending, the bank can't stop a payment after it has been approved.

So while the payments hadn't left Mrs D's account before the block was applied, they had been approved before the block was applied. So NatWest couldn't stop the payments, even though the block was applied.

Mrs D didn't send us any more information to disprove that this is what happened. And so I still don't think NatWest made an error with the block or could have done anything more to stop the payments going out.

I also still think the rest of the conclusions from my provisional decision are correct, and for the same reasons. So I still don't think it would be fair to require NatWest to do anything further.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 29 September 2023.

Alan Millward  
**Ombudsman**