

## The complaint

Miss P complains that National Westminster Bank Plc won't refund the money she lost when she was the victim of a scam.

## What happened

In May 2022, a friend of Miss P's told her about an app they had been using. The app allowed users to deposit money to unlock tasks, which were typically visiting or liking products on an online marketplace, and then to earn money by completing those tasks. Each completed task would earn the user a small payment and, by depositing larger amounts, users could unlock tasks that earned larger payments. Miss P says her friend told her they had made enough money from the app to quit their job, and showed Miss P how they could withdraw money from the app back to their bank account. Miss P then signed up to the app herself and made a series of payments to deposit money into it, as directed to by someone working for the company running the app – who she understood to be her manager.

Miss P says the payments she made were to buy cryptocurrency, which was then deposited into her balance which she could see on the app. This balance would then unlock tasks, which could earn her more money that would be added to her balance. And as the balance itself was in cryptocurrency, it could also increase as the value of the cryptocurrency increased. I've set out the payments Miss P made below:

Date	Details	Amount
3 May 2022		£170
3 May 2022		£1,000
4 May 2022		£111
4 May 2022		£10
4 May 2022		£1,299
9 May 2022	Withdrawal from app	£20
10 May 2022	Withdrawal from app	£20
23 May 2022		£15
23 May 2022		£30
25 May 2022		£35
25 May 2022		£200
30 May 2022		£32
31 May 2022	Withdrawal from app	£240.16
6 June 2022	Withdrawal from app	£100
6 June 2022		£100
6 June 2022		£200.88

Unfortunately, we now know the app and the company running it were a scam.

The scam was uncovered when Miss P tried to withdraw a significant amount of her balance. The app told her she needed to deposit more money before she could make a withdrawal and, despite having been able to make smaller withdrawals previously, her manager also

now said she needed to pay more in before she could withdraw. Miss P then realised the app was a scam and says she asked NatWest to refund the money she had lost.

NatWest doesn't appear to have responded to Miss P, so she referred a complaint to our service. I sent Miss P and NatWest a provisional decision on 16 August 2023, setting out why I wasn't intending to uphold the complaint. An extract from my provisional decision is set out below:

*"Are the payments covered by the CRM code?"*

*I've first considered whether the CRM code applies to all the payments Miss P made as a result of this scam.*

*The Lending Standards Board Contingent Reimbursement Model (the CRM code) is a voluntary code NatWest has signed up to. It sets out a number of circumstances in which firms are required to reimburse customers who have been the victims of certain types of scam. But it only covers certain types of payments where a customer paid funds to another person for what they thought were legitimate purposes, but which were in fact fraudulent.*

*Miss P has said all the payments she made were to buy cryptocurrency. I recognise that she only did this under the direction of the scammer. But, the buying of cryptocurrency isn't one of the types of payments covered by the code. And the purchase of the cryptocurrency itself was not fraudulent, as Miss P appears to have actually bought and received cryptocurrency. So the way the CRM code is written means that I don't think it applies to these payments.*

*Did NatWest do enough to protect Miss P?*

*Banks are expected to make payments in line with their customers' instructions. And Miss P accepts she made the payments here. So while I recognise she didn't intend for the money to go to scammers, she did authorise the payment. And so the starting position in law is that NatWest was obliged to follow her instructions and make the payments. So Miss P isn't automatically entitled to a refund.*

*Even though I don't think the payments Miss P made are covered by the CRM code, the regulatory landscape, along with good industry practice, also sets out requirements for banks to protect their customers from fraud and financial harm. So, in line with this, 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.*

*And so I've also considered whether NatWest should have identified that Miss P was potentially at risk of fraud as a result of these payments.*

*But the payments Miss P made weren't for what I'd consider to be particularly large amounts. There were other payments for similar amounts going out of her account around the same time. And the payments didn't form a suspicious pattern or leave the balance of her account at a particularly unusual level.*

*So I don't think the payments will have looked particularly suspicious or unusual to NatWest. And I think it's reasonable that NatWest didn't identify that Miss P was potentially at risk of fraud as a result, or ask any further questions or carry out any additional checks before allowing them to go through.*

*Did NatWest do enough to recover the money Miss P lost?*

*Once they have been notified of a scam, we expect businesses to take reasonable steps to try to recover any money their customers have lost.*

*But NatWest can only try to recover the money from where it was sent to. And the payments Miss P made were to buy cryptocurrency, and these purchases appear to have been legitimate – Miss P actually did receive the cryptocurrency she was paying for and then sent it on to the scammers. So any attempt by NatWest to recover the money would likely have been unsuccessful, as Miss P received what she paid for with these payments.*

*And so I don't think anything we'd reasonably expect NatWest to have done would have recovered the money Miss P lost.*

*I sympathise with the position Miss P has found herself in. She has been the victim of a cruel scam and I'm in no way saying she did anything wrong herself. I appreciate that my decision will come as a disappointment to her. But, for the reasons I've set out above, I don't think NatWest has acted unreasonably or that anything I would reasonably have expected it to do would have prevented this scam or recovered her money. So I don't think it would be fair to require NatWest to refund the money Miss P has lost."*

I said I'd consider anything further Miss P 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 didn't respond to the provisional decision. Miss P responded to say she didn't accept the outcome of the provisional decision, but didn't send in any further evidence or arguments.

As neither Miss P nor NatWest sent in any further evidence or arguments, I still think the conclusions I reached in the provisional decision are correct, and for the same reasons.

I still don't think anything we would reasonably have expected NatWest to have done would have prevented Miss P falling victim to the scam or recovered the money she lost. So I don't think it would be fair to require NatWest to refund the money Miss P has lost.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept

or reject my decision before 12 October 2023.

Alan Millward  
**Ombudsman**