

## The complaint

Mr S complains that National Westminster Bank Plc (NatWest) won't refund the money he lost as the result of an investment scam.

Mr S is represented by a third party but for ease of reading, I'll refer to all the submissions as having come from him alone.

## What happened

Mr S came across an advert on social media which offered an investment with a company I'll call 'P'. He registered his interest and was contacted by a representative of P. Mr S was given comprehensive information and was persuaded to open a new account in order to purchase crypto. P's representative guided Mr S through the steps he needed to take to invest with them. Mr S started with small payments and increased his payments on the guidance of P's representative after he saw his investment was doing well.

When Mr S could no longer make contact with P and could no longer access his trading account, he realised he'd been scammed. Mr S reported the scam to NatWest and requested that it return the following payments:

| Transaction number | Date            | Method of payment | Payee             | Amount (£) | Running total |
|--------------------|-----------------|-------------------|-------------------|------------|---------------|
| 1                  | 25 October 2022 | Faster Payment    | Mr S' own account | £20        | £20           |
| 2                  | 25 October 2022 | Faster Payment    | Mr S' own account | £20        | £40           |
| 3                  | 25 October 2022 | Faster Payment    | Mr S' own account | £1,000     | 1,040         |
| 4                  | 26 October 2022 | Faster Payment    | Mr S' own account | £4,000     | £5,040        |
| 5                  | 26 October 2022 | Faster Payment    | Mr S' own account | £4,000     | £9,040        |

NatWest declined to return Mr S' payments. Unhappy with its response, Mr S referred his complaint to this service.

One of our Investigators reviewed the complaint and didn't think NatWest's decision was an unreasonable one. She didn't think the payments were all that unusual or suspicious in appearance when considering Mr S' account history.

Mr S didn't agree and asked for an Ombudsman to review his complaint. He said the larger transfers he made were to his own account with NatWest.

The complaint has therefore been passed to me for determination.

## 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.

At the time Mr S made his payments, banks were expected to process payments a customer authorised it to make; but as a matter of good industry practice, a bank should 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.

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 be involved in every transaction.

All of the payments were sent to an account in Mr S' name. It was from that account that he purchased crypto and sent the crypto to the scam wallet, so I've factored this into my decision.

### *The first three payments*

I agree with our investigator and I don't think I can fairly say that the first three payments were particularly large, unusual or uncharacteristic for the account. They were in keeping with Mr S' normal account activity when considering his previous account spend.

### *Payments four and five*

Whilst payments four and five were made on the same day and were for a large sum in total, I've considered Mr S' previous account history.

I've noted Mr S made a payment of £4,334 in December 2021. He also made transfers to two different accounts of £5,000 and £62,000 on 22 July 2022. Mr S says these were accounts held with NatWest but I've noted that both accounts were in his name and not accounts that Mr S regularly sent payments to. So aside from payments four and five being to a new payee, NatWest would have reasonably known that the new payee's account belonged to Mr S. And when considering his account activity, he'd previously sent larger sums on the same day to accounts in his name that he didn't regularly send payments to. I don't think payments four and five - taken individually or collectively - were sufficiently unusual or uncharacteristic. And I don't think NatWest ought to have reasonably suspected that Mr S' account was at risk of financial harm from fraud and therefore warrant an intervention. So I don't think NatWest missed an opportunity to prevent the scam.

### *Recovery*

I've thought about whether NatWest did what it ought to have done, when trying to recover the funds for Mr S.

Mr S transferred funds to an account in his name. From there, he purchased crypto and moved it onto a wallet address of his choosing (albeit upon the scammers instructions). If NatWest tried to recover the funds, they could only have tried to recover funds from Mr S' own account and it appears he would have moved all of those funds on and if not, they would be in Mr S' control to access as and when he wishes. So, I can't say that NatWest acted unfairly by not attempting to recover Mr S' funds when he reported the scam.

### **My final decision**

My final decision is, despite my natural sympathies for Mr S' loss, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 September 2023.

Dolores Njemanze  
**Ombudsman**