

## **The complaint**

Mr C and Ms P complain that National Westminster Bank Plc (NatWest) won't refund a payment which they say was lost to a scam.

## **What happened**

The details of this complaint is well-known to both parties so I won't repeat them all again here. Instead, I'll summarise the key points, and focus on giving reasons for my decision.

Mr C was contacted on social media by an individual who introduced him to an investment opportunity – which unfortunately turned out to be a scam. Between March and September 2021, Mr C made a number of payments from his joint NatWest account to the scam. These weren't paid directly to the scammers, but variously to another payment account he held, and his cryptocurrency wallet, before being moved on to the scam.

When Mr C found out about the scam, he complained to NatWest about the last payment – for £600, paid to his cryptocurrency wallet. It wouldn't refund him, so he referred the matter to us.

Our investigator clarified with Mr C and Ms P (via their professional representative) that they were only complaining about the last payment. He didn't uphold the complaint. He didn't think NatWest was at fault for not intervening with the payment. And as it went via Mr C's cryptocurrency wallet, it wasn't able to recover it via a chargeback claim.

Mr C and Ms P appealed. They said the payment was unusual so the bank should have intervened, and that may have prevented the loss.

## **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 agree with the conclusions reached by the investigator for these reasons:

- As Mr C and Ms P are disputing a card payment, made to Mr C's own cryptocurrency wallet, the loss isn't covered by the Lending Standards Board's Contingent Reimbursement Model (CRM) code.
- In line with the Payment Services Regulations 2017, NatWest is expected to execute authorised payment instructions without undue delay. Although I accept Mr C ultimately lost these funds to a scam, it is not in dispute that he authorised the payment. So the starting position is that he and Ms P (as the joint account holder) are liable for it.

- But there are some situations where we believe that banks—taking into account relevant rules, codes and best practice—ought to have identified a fraud risk, so should have looked at the wider circumstances surrounding the transaction before making the payment. If NatWest failed to do so here, and that failure led to a fraudulent loss, it might be fair to hold it liable.
- However, I'm not persuaded NatWest had reason to identify a fraud risk in relation to this £600 payment. It didn't appear particularly unusual or concerning, in amongst the undisputed spending on the account, such that I would have expected NatWest to perform further checks. There is a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments. I therefore don't think NatWest can fairly be held at fault for not preventing this payment.
- As this was a card payment to Mr C's own cryptocurrency wallet, NatWest wouldn't have been able to raise a successful chargeback claim to recoup the loss. Such claims only cover disputes with the merchant paid direct. Whereas here, the loss only occurred when Mr C transferred the funds on to the scammers.

I appreciate this will be disappointing for Mr C and Ms P. But having carefully considered this complaint, I'm not persuaded NatWest is liable for their loss.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Ms P to accept or reject my decision before 22 August 2023.

Rachel Loughlin  
**Ombudsman**