

## **The complaint**

Mr W complains that National Westminster Bank Plc didn't do enough to protect him from losing money to a scam.

Mr W initially used a representative to bring his complaint. But for ease of reading, I'll mostly just refer to Mr W himself.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. Mr W says that around May 2022 he discovered an online investment company that I'll refer to as 'F'. He said he was reassured by celebrity endorsements and ultimately spoke to one of F's brokers. He was told he'd need to open an account with a crypto exchange service 'C' to be able to fund his account with F. Mr W did this and went on to make numerous payments to C. Presumably cryptocurrency was then passed to F. Initially there were also modest withdrawals which were paid back into Mr W's account with NatWest which further reassured him that everything was legitimate.

This was until Mr W was told he'd need to pay a tax of £11,000 to be able to release his funds. And around this time he was also informed by a third party that F were likely operating a scam.

Mr W's initial complaint to NatWest referred to around £16,000 of payments he'd made to C in July 2022. But he has since clarified that the payments took place across June, July and August 2022. And involved him sending around 12 payments totalling just under £20,000. Within the same time period he also received a number of incoming credits (from C) totalling around £1,400 meaning Mr W has a loss of approximately £18,600.

Ultimately whilst NatWest sympathised with Mr W being a victim, they declined to provide any redress. The matter was considered by one of our Investigators who didn't recommend that the complaint should be upheld. He didn't think the payments Mr W made to the scam were so unusual that NatWest ought to have done more. Or that there was any other reason why they should provide a refund. Mr W disagrees and has asked for an Ombudsman to review his complaint.

## **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've reached the same outcome as our Investigator and for largely the same reasons. I know this will be disappointing for Mr W, so I'll explain why. Our Investigator has already had several exchanges with Mr W explaining the outcome to the complaint. So, I won't repeat the same in detail and will keep to the key reasons for my decision.

Firstly, I'm sorry to hear that Mr W has been the victim of a scam and lost so much money. I'm also sorry to hear of his difficult personal circumstances and the issues with his health that he has described. But despite my natural sympathy, my role requires that I remain impartial, and it would only be fair for me to direct NatWest to do more, if I think they are responsible for causing Mr W's loss or a part of it.

I agree with our Investigator that I don't think the payments Mr W made towards the scam (either individually or collectively) were so unusual that I'd have expected NatWest to have done more before following the instructions he provided. NatWest do have obligations to be alert to potential fraud and scams and to act in their customers best interests. But there is a balance to be struck and they can't be involved in every payment made. Mr W's account history shows that prior to the scam he made significant payments from his account. These include but aren't limited to:

- £100,000 outgoing payment in April 2022.
- Multiple outgoing payments of around £5,000 in April and May 2022.
- £20,000 outgoing payment also in May 2022.
- Multiple payments to other investment companies.

In the context of the previous account activity, I don't think the payments made towards the scam were so unusual, out of character or indicative of potential fraud that I'd have expected NatWest to have intervened. I acknowledge that some of this movement of money was due to an inheritance Mr W had received, but this doesn't change my mind as to whether NatWest should have done more.

I appreciate Mr W has argued that he thinks NatWest should also have done more when they intervened in some of his earlier payments that weren't made to a scam. There is evidence to support that NatWest spoke to Mr W in early May and that they sent him a text to confirm a payment. But neither of these were in relation to payments to a scam. So there was no obligation or requirement for them to do more as those payments were nothing other than genuine transactions authorised by Mr W.

Mr W has also argued that he was vulnerable, and this was something NatWest should have been aware of and that on this basis they should have taken even more care. He's highlighted guidance about how banks should treat (and look out for) vulnerable customers to support this. NatWest say that they didn't have Mr W recorded as a vulnerable customer on their system at the time. Mr W says that they should have known about his vulnerability for reasons which include that he was assisted by a chaperone when opening the account in branch in 2018 and the nature of benefit payments coming into his account.

I've considered what Mr W has said and sympathise with him having what sounds like some incredibly challenging personal circumstances in recent years. And he is right to say that banks are obliged to treat vulnerable customers with care and to act in their best interests. But here, even if I were to agree that NatWest should have identified Mr W as a vulnerable customer, I don't think that makes a difference to the outcome of his complaint. Even where a customer is vulnerable, NatWest still have to strike a balance between looking for out of character payments that could indicate potential fraud and allowing ready access to funds in an account. That might look different for a vulnerable person over and above the usual account monitoring. And it would also likely vary depending on the nature of the individual's vulnerability. But in the specific circumstances of this complaint, taking account of Mr W's circumstances as he's described them, even if NatWest had treated him as vulnerable, that wouldn't change my thoughts as to whether they ought to have intervened at the time. It isn't reasonable to expect NatWest to stop and check all payments.

Mr W has also mentioned the Lending Standards Board's Contingent Reimbursement Model (CRM Code). This is a voluntary scheme through which victims of authorised push payment (APP) fraud can sometimes receive redress from the banks involved. NatWest are a signatory to the CRM Code. But the code is specific in that it only applies to payments made to 'another person'. And in the circumstances here, Mr W paid a cryptocurrency account in his own name, before passing that on to the scammers. So, I can't say his payments went to 'another person' as required by the CRM Code. And I don't think NatWest were unreasonable to not consider reimbursement under the code for that reason.

And for the same reasons, I don't think anything NatWest did or didn't do impacted on whether anything could be recovered from the accounts with C. That crypto exchange account was in Mr W's name and had anything remained he could have spoken to C directly. Mr W's testimony is also that the funds were already sent on from C (as cryptocurrency) in any case.

Mr W also says he's been made to feel like he was to blame for losing money to a scam. He also says that had NatWest offered a reasonable rate of interest on savings accounts, he wouldn't have had to go elsewhere and incur the risk of being scammed. The rates of interest NatWest wish to offer are a commercial matter for them. And whilst I understand how disappointing it would have been to be told there wouldn't be a refund following a scam, I've not seen anything that persuades me NatWest treated Mr W unfairly, blamed him as the victim or otherwise provided poor service such that compensation should be paid.

Overall, I'm really sorry to hear Mr W was a victim and suffered such a significant loss. But ultimately the responsible party is the criminal who perpetrated the scam. I hope the authorities are successful in prosecuting the scammer and that this results in redress for Mr W. But as I don't think his outstanding loss is something NatWest are responsible for; I'm not going to direct them to do more to resolve this complaint.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 16 November 2023.

Richard Annandale  
**Ombudsman**