

## The complaint

Mr B complains about Nationwide Building Society.

He says that Nationwide didn't do enough to protect him from being the victim of a scam and would like Nationwide to refund him the money he has lost.

## What happened

Mr B says that he was watching a program on TV which was discussing cryptocurrency. Mr B was interested in what the program had to say and conducted some research online. He came across an investment platform and submitted his details.

Mr B was then asked to supply identity documents which he says added a layer of legitimacy to the company, and he was persuaded to begin investing. Mr B made the following payments.

Date	Payee	Payment type	Amount
23 December 2020	BME	Card	£188.04 (+ trans fee £5.62)
8 March 2021	Cryptogroup	Card	£1,728.19 (+ trans fee £51.67)
8 March 2021	Cryptogroup	Card	£1,728.19 (+ trans fee £51.67)
8 March 2021	Cryptogroup	Card	£864.10 (+ trans fee £25.84)
6 April 2021	Cryptogroup	Card	£1,703.51 (+ trans fee £50.93)
		<b>Total</b>	£6,397.76

During this time, Mr B was also asked to download Anydesk onto his computer but was unable to do so. He was told that he needed to do this to make a withdrawal. Mr B suggested he visit the London office to sort out the issue. He was told he would be sent the address but received no further information.

Mr B then realised he had been scammed.

He reported the scam to Nationwide, but it didn't uphold his complaint.

Our Investigator looked into things but didn't think that the complaint should be upheld. They said that although Nationwide should have intervened, they were not persuaded that an intervention would have prevented the loss that Mr B had suffered.

Mr B asked for an Ombudsman to look into his complaint, so it has been passed to me to make a final decision.

## 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 decided not to uphold Mr B's complaint. I know this will be disappointing for him, so I'll explain why.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSR's) and the terms and conditions of the customer's account.

But this isn't the end of the story. As a matter of good industry practice, Nationwide should also 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. However, 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 reasonably be involved in every transaction.

Taking into account the law, regulatory rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Nationwide 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.

In this case, I need to decide whether Nationwide acted fairly and reasonably in its dealings with Mr B when he authorised payments from his account or whether it could and should have done more before processing them.

Having done so, I think that Nationwide should have intervened from the second payment. While it was not a necessarily large payment in isolation, and therefore wouldn't usually require Nationwide take any further steps before processing the payment, Mr B had attempted a number of transactions the same day which were declined – and I think that this should have prompted Nationwide to contact him and check that everything was as it should be.

However, for me to uphold Mr B's, I would also have to find that such an intervention would have made a difference, and I'm afraid that I don't think that it would. I'll explain why.

Mr B has provided copies of the communication he had with the scammer where he has been told to lie to Nationwide to conceal what he was doing – and what to say in order to make sure that the payments went through. Mr B followed the instructions given to him by the scammer, so I think it's likely he would have told Nationwide he was acting on his own and there wouldn't have been an opportunity to uncover the scam.

I have also paid particular attention to a conversation that Mr B had with Nationwide in January 2021, when it blocked a payment he was making for £5,000. Nationwide has provided me with a copy of the call that took place. As our Investigator has said, this appears to be a different scam to the one in question here – but I do think what was discussed is still relevant to this complaint. During this call Mr B was given a clear warning about cryptocurrency scams, including how they work, the use of Anydesk – and that it's likely he would be told to lie to Nationwide.

Mr B listened to what Nationwide told him at this time – and stopped this payment. But he didn't divulge that he had also made a payment in December to a separate scam involving the same circumstances that were described to him during this call. And he still went on to make further payments even though he had already had it explained to him how these scams commonly work.

So, I am not persuaded that an intervention by Nationwide would have made a difference here.

I am very sorry for the situation Mr B now finds himself in – he has lost a lot of money to this cruel scam. However, his losses are the fault of the scammers – not Nationwide.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 March 2024.

Claire Pugh  
**Ombudsman**