

## **The complaint**

Ms B complains that Nationwide Building Society didn't do enough to protect her when she fell victim to an Authorised Push Payment (APP) scam.

## **What happened**

Between October 2014 and January 2015, Ms B has said she transferred over £30,000 via CHAPS payments to a company (I'll refer to as H), having been pressurised by an individual she believed she'd built up a close friendship with (who I'll refer to as Mr R). Ms B said she contacted Nationwide in late 2015, and again in 2018 to advise it that she'd been the victim of a scam and to ask for help recovering her funds.

In March 2023, a friend of Ms B (Mr N) asked Nationwide to consider a complaint relating its handling of her fraud claim. Nationwide considered that Ms B had referred her complaint out of time, and so it would not investigate it. But it noted that while Ms B said she had raised complaints in 2015 and 2018 it had no records of this.

On 19 October 2023, I issued a decision setting out why I thought Ms B's complaint had been brought in time. I explained that while there was insufficient evidence Ms B had raised a complaint with Nationwide in time, she had done enough to raise her concerns with the Financial Ombudsman Service in time. And so, I was satisfied we had the power to look at Ms B's complaint.

Our Investigator considered Ms B's complaint but didn't uphold it. She explained that while she was sympathetic to Ms B's circumstances, she had not provided sufficient evidence to show that she had been scammed – for example evidence of messages with the scammer and/or evidence that there were regulatory warnings that the company she sent money to was in fact a scam. As a result, our Investigator could not conclude that Nationwide had acted unreasonably in processing the valid payment instructions, in line with the Payment Services Regulations.

Mr N disagreed and pointed to evidence received from the police which he said demonstrated Ms B had fallen victim to a scam. He explained that Ms B had no evidence of her messages with the scammer as an online dating profile had been deleted and text messages had been deleted on the advice of the police.

As there has been no agreement, the complaint has been passed to me to decide.

## **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'm not upholding this complaint and for largely the same reasons as our Investigator. I realise this will be extremely disappointing to Ms B. I don't underestimate the emotional difficulties Ms B has explained she's gone through since losing a considerable

sum of money, to what she believes was a scam. But for the reasons I'll go on to explain I don't think Nationwide has acted unfairly or unreasonably.

It appears to be accepted by all parties that Ms B properly authorised the payments from her account. Under the Payment Services Regulations 2009, Ms B is presumed liable for payments she has properly authorised from her account. The issue I've had to determine is whether Nationwide ought to have done anything further, for example carrying out additional checks, before processing the payments to help protect Ms B from the risk of financial harm from fraud. But this is prefaced on there having been a fraud or scam.

Not every complaint referred to us as a scam is in fact a scam. The Financial Conduct Authority (FCA) Glossary defines an authorised push payment fraud as:

*“a transfer of funds by person A [in this case Ms B] to person B [in this case Mr R or H], other than a transfer initiated by or through person B, where:*

*(1) A intended to transfer the funds to a person other than B but was instead deceived into transferring the funds to B; or*

*(2) A transferred funds to B for what they believed were legitimate purposes but which were in fact fraudulent.”*

There has been no suggestion that Ms B's payments were in some way misdirected or that she paid someone other than who she expected to pay money to. So, I think the relevant consideration is whether Ms B transferred funds for what she believed to be legitimate purposes, but which were in fact fraudulent.

To decide this, I would need to see clear compelling evidence to show what Ms B's intended purpose was for making the payments in 2015. For example, what the payments were for and what, if anything, she expected to receive in return. I would also need to see convincing evidence that the recipient of money – i.e. Mr R or H - intended purpose was in fact fraudulent.

Throughout the complaint with Nationwide and with the Financial Ombudsman Service, Ms B has been unable or unwilling to provide a clear detailed narrative to explain what happened in 2015 - why she made the payments, who they were made to and what she expected to receive in return. Without this information it is impossible to fairly determine that the transactions were in fact fraudulent or a scam.

I do appreciate that Mr N has explained that Ms B has found it too stressful to recount what happened to her, but as our Investigator has explained on multiple occasions; without clear detailed information about what happened we're unable to determine whether Ms B has in fact been the victim of a scam.

I also appreciate that Ms B and Mr N have been in contact with the police regarding this matter, and I have read and considered correspondence that has been received from the police. But crucially, I have seen nothing within that correspondence which confirms the details of what happened in 2015 or that Ms B fell victim to a scam.

I think it's also important to note that I've been unable to find any evidence of any published warnings from the Financial Conduct Authority, International Organization of Securities Commission (IOSCO) or any other recognised authority concerning H which may support that it was operating a scam.

I understand Ms B feels strongly that she has been let down by Nationwide. But it would only be fair for me to direct it to refund her losses if I thought it was responsible – and I'm not

persuaded that this was the case. For the above reasons, I can't fairly conclude Nationwide had any duty to stop the payments Ms B made from her account as there's nothing to show that these payments were made as a result of a scam. As such, I'm not going to tell Nationwide to do anything further.

### **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 Ms B to accept or reject my decision before 27 March 2024.

Lisa De Noronha  
**Ombudsman**