

## **The complaint**

Mr M complains that Nationwide Building Society won't refund all the money he lost to an investment scam.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I'll focus on giving the reasons for my 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 agree with the conclusions reached by the investigator for the following reasons:

- It isn't in dispute that Mr M authorised one payment of £5,000 on 14 September 2023 from his Nationwide account towards what he believed was a legitimate investment opportunity with a company I'll call 'K'. The payment was sent to a legitimate cryptocurrency exchange account in Mr M's name before being sent to what he believed was his investment trading account with K. The payment was requested by him using his legitimate security credentials, and the starting point is that banks and building societies ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether Nationwide should have done more to identify that Mr M could be falling victim to a scam, as there are some situations in which a bank or building society should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly unusual and out of character.
- Nationwide did indeed flag the disputed payment and it had a conversation with Mr M. Nationwide's adviser asked Mr M what the payment was for, he confirmed it was for crypto. The adviser asked if this account was opened and controlled by Mr M, he confirmed it was and the call ended. There is a suggestion that Mr M was required to speak with Nationwide again but Nationwide hasn't provided any evidence of a subsequent call. In my judgement, Nationwide's intervention didn't go far enough and this was a missed opportunity for it to provide a meaningful warning. However, Nationwide recognised its failing following Mr M's scam report and paid him 50% of his disputed payment along with £100 compensation. Nationwide offered 50% on the basis that Mr M should share some responsibility, so I've considered whether this was reasonable.
- To start with, I'm not persuaded that a better intervention from Nationwide would have uncovered the scam. I can see Mr M was in communication with the scammer for several weeks prior to the disputed payment and had already made a small investment. I've seen evidence that shows Mr M was coached by the scammer on what to say to Nationwide about the purpose of the disputed payment and that was to

say he was investing alone. I've also seen that Mr M said to the scammer '*no one can tell me what to do with my money*' – this was in relation to his anticipated contact with Nationwide. I've further noted that at the time of the disputed payment, he didn't have any concerns about K, this came later when he was unable to withdraw his profits. So even with better probing from Nationwide, I don't think it's likely Mr M would have disclosed that he was investing with K, so I think Nationwide's offer was a generous one and more than I would have awarded. But even if I'm wrong and Nationwide was able to uncover the scam with better questioning, I think the suggestion that Mr M shares responsibility for his loss is a reasonable one and I'll explain why.

- Prior to the disputed payment, Mr M reported to Nationwide that he fell victim to a cryptocurrency scam on 7 September 2023. During this telephone call, Nationwide's adviser gave Mr M a warning about what to look for when it came to investment scams. It also suggested that he steer away from crypto because of the untraceable nature of it.
- Mr M was introduced to the investment opportunity with K via unsolicited contact on WhatsApp. Mr M said he found the unsolicited contact with K's representative odd but gave her the benefit of the doubt. I've noted that prior to Mr M sending the disputed payment, he was presented with a warning relevant to investment scams. This suggested that Mr M carry out additional checks prior to making his payment; such as checking the FCA's website and checking for online reviews. Mr M hasn't confirmed whether he carried out additional checks but I've noted there were scam reviews about the company he was dealing with dating back to June 2023. In my judgement, at the time of Mr M's disputed payment, he ought to have reasonably reflected on K's representative's contact as a 'red flag' given that; he found the contact to be odd in the first instance; he'd just fallen victim to a cryptocurrency scam via social media and was given warnings about cryptocurrency scams over the phone by Nationwide around a week earlier; he was been presented with a written warning about investment scams prior to proceeding with the payment which encouraged him to carry out some additional checks before proceeding. Had Mr M carried out some basic checks, it's likely he would have seen the scam warnings about K, along with various warnings about cryptocurrency investment scams and I think a reasonable person wouldn't have proceeded on this basis. However, I've not seen anything to suggest that Mr M carried out additional checks before sending what was a substantial sum of money and I think under the circumstances, it would have been reasonable for him to do so. Taking all of this into account, I can see why Nationwide said he should share 50% responsibility for his loss and I don't think its rationale was unreasonable.
- I do appreciate from Mr M's perspective that he feels that Nationwide should have been more alert to him potentially falling victim to a scam as he'd recently fallen victim to a scam. I accept this, which is why I think Nationwide ought to have reasonably gone further with its intervention. But I don't think this intervention would have made a difference to Mr M and even if it had, I think it's fair that he share equal responsibility for his loss.
- Nationwide paid Mr M a total of £100 compensation for failing to appropriately deal with his scam claim when he first reported it. I've noted that Nationwide quickly changed its position on Mr M's complaint but this was after further contact from him which I think was avoidable. I think the compensation already paid for Mr M's distress and inconvenience is fair and I make no additional award.

I appreciate my outcome will come as a disappointment to Mr M and I'm very sorry to see he's lost money to cruel scammers. But for the reasons I've explained, I don't require Nationwide to do anything differently.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 April 2024.

Dolores Njemanze  
**Ombudsman**