

The complaint

Mr M via a representative complains that Nationwide Building Society ("Nationwide") won't refund the money he lost to two fake job scams.

What happened

The details of this complaint are well known to both parties, so I won't repeat everything again here.

In brief, Mr M fell victim to a fake job scam. I will call the scammer 'B'. B told Mr M that he would be paid for completing a number of tasks, but he would have to send funds to B via a crypto exchange to unlock these tasks. B's website vanished around 9 June 2022 and Mr M contacted Nationwide to try and recover the payment he made for £8,200 which it did not do. After this, Mr M says he started paying a different scammer that I will call C - this again was a fake job scam. These payments look to be direct transfers to accounts held in other people's names, rather than transfers to crypto exchanges.

In total Mr M made the following payments.

Transaction Number	Date	Amount
1	10 May 2022	£100
2	10 May 2022	£401
3	11 May 2022	£3,010
4	11 May 2022	£120
5	31 May 2022	£600
6	31 May 2022	£8,200
7	6 June 2022	£310
8	6 June 2022	£205
9	15 June 2022	£10
10	16 June 2022	£10
11	4 July 2022	£10
12	11 July 2022	£500
13	11 July 2022	£800

14	11 July 2022	£1000
15	11 July 2022	£880
16	11 July 2022	£260
17	15 July 2022	£200
18	15 July 2022	£200
19	15 July 2022	£200

Our investigator did not uphold this complaint. She thought that as Mr M knew he was being scammed on 9 June 2022, it was not reasonable to hold Nationwide responsible for his decision to carry on sending funds under similar circumstances to C. Overall, the investigator felt that had Nationwide intervened on the payments made after 9 June 2022, Mr M was likely to have continued making the payments. Mr M did not agree and requested that this case be reviewed by an ombudsman.

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.

It isn't in dispute that Mr M has fallen victim to a scam here, nor that he authorised the disputed payments he made. The payments were requested by him using his legitimate security credentials provided by Nationwide, and the starting position is that Nationwide 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 prevent Mr M from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character for that account holder.

Firstly, I should say that it is difficult to establish exactly what payment was part of what scam and indeed if certain payments were part of the scams at all. Mr M in his call on 9 June 2022 with Nationwide said that only the payment of £8,200 was part of the scam and the payments to crypto exchanges prior to this point were legitimate investments. Yet Mr M changed his testimony as he now says that these in fact were all part of the same scam as the £8,200 payment and that payments after this point were to a different scam. Mr M has provided no plausible explanation for this change in testimony or indeed why he chose to send payments to a different third party under identical circumstances given that he says he'd become aware by then that it'd been a scam.

This coupled with the large amount of credits received from crypto exchanges before and after 9 June 2022 makes it very difficult to establish if Nationwide could have stopped the scam, what Mr M's losses actually were or even if there were indeed two scams. I have asked for evidence to explain the above alongside other questions, but I have been asked to proceed by Mr M's representative with the information that I do have.

I should explain that I have requested this information as there is a difference in Nationwide's ability to stop the scam if Mr M reported a scam on 9 June 2022 and then continued to send funds to the same scammer than there is for Mr M falling for a different scam after being scammed once. There is also a difference when trying to work out what, if any, loss that Mr M suffered after 9 June 2022.

Overall, I don't think that Nationwide needed to intervene prior to the call on 9 June 2022, as the payments on his account were not that unusual compared to Mr M's normal payments. For example, there were a number of smaller payments and credits received from the crypto exchange which would make the £8,200 payment to a crypto exchange seem not unusual.

That said, during the call on 9 June 2022 Nationwide should really have asked more questions about exactly what had happened once it was made aware by Mr M that he was being scammed. Mr M said that he had been caught up in a pyramid scheme. Had more questions been asked I think that Nationwide would have discovered that this was in fact a fake job scam. Had a specific warning been given that the vast majority, if not all, online jobs that require payment in crypto currency to receive income were fake, than this may have stopped Mr M falling for a second job scam. However, I don't know if that is where the payments went after this call or if there were two scams. If the payments went to the same scammer, I doubt that a warning from Nationwide would have stopped anything, given that Mr M was already aware that the payment was made to, as he said, a pyramid scheme.

But even if I were satisfied that Mr M fell for a second fake job scam and this could have been prevented by Nationwide, I am not sure if Mr M actually suffered a loss when taking into consideration the large amount of credits received from crypto exchanges. I say this because Mr M's potential loss after this point seems to be around £4,500 and he received in total more than this in credits from crypto exchanges. This is even if I only considered credits that came into Mr M's account after 9 June 2022. So if I did think that Nationwide could have prevented the scam and Mr M was not partially responsible for his loss after this point it would be difficult to establish if he was actually due a refund.

So overall I don't think based on the evidence that Nationwide was being unfair or unreasonable in not refunding Mr M the payments he made.

Recovery

I've also thought about whether Nationwide could have done more to attempt to recover the payments after Mr M reported the fraud. In relation to the payments sent to the crypto exchange the Contingent Reimbursement Model ("CRM") does not apply to funds sent to an account in the consumer's own name. In relation to the transfers made to accounts in other people's name, I don't think that it has been sufficiently established that these were part of the scam or that Mr M had a reasonable basis of belief when he sent these payments.

I appreciate this will come as a disappointment to Mr M, and I'm sorry to hear he has been the victim a scam. However, I'm not persuaded that Nationwide can fairly or reasonably be held liable for the losses that he said he incurred in these circumstances.

My final decision

For the reasons given above, I do not 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 24 May 2024.

Charlie Newton
Ombudsman