

## **The complaint**

Mr W complains that Nationwide Building Society ('Nationwide') won't refund the money he says was lost as the result of a scam.

## **What happened**

In January 2024, while in hospital, Mr W was called by someone pretending to work for Nationwide. Mr W says he was told his account had been compromised and was persuaded to transfer money to his partner totalling £4,763.

Mr W says that he was in hospital and on heavy medication at the time and was in and out of consciousness.

Mr W says his partner was told to send the funds back to him through a "safe account", but he never received any of his money back.

Mr W raised a fraud claim with Nationwide, asking that they refund him. Nationwide declined to refund Mr W, saying he has a civil dispute with his partner and that the funds were lost from his partner's account (held with another bank) – not his Nationwide account.

Mr W wasn't happy with Nationwide's response, so he brought a complaint to our service.

An investigator looked into his complaint and didn't uphold it. The investigator wasn't satisfied that there was enough evidence that a scam had taken place. However, if there was, the investigator wasn't satisfied that Nationwide could fairly be held liable.

Mr W didn't agree with the investigator's opinion and asked for an ombudsman to review his case.

## **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.

Nationwide are a signatory of the Contingent Reimbursement Model Code (CRM Code). However, this doesn't cover payments made through the account of friends or family, only where the funds were immediately lost to a scammer. In this case, Mr W transferred the funds to his partner's account. So, I can't consider his claim under the CRM Code.

I'm really sorry to hear about the difficult time Mr W has had health wise, and the serious impact losing this money has had on him. I'd like to explain that even if I was satisfied that Mr W was the victim of a scam, that doesn't necessarily mean that Nationwide are liable for his loss, or that I would ask them to refund him.

Having carefully reviewed the case, I've reached the same answer as the investigator. I'll explain why.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

In broad terms, the starting position at law is that Nationwide are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Mr W has told us that he received codes on his mobile phone for authorising the payments but has also suggested that someone else made the payments. Based on the evidence supplied, I think it's more likely than not Mr W authorised these payments, although I appreciate that he did so not realising he was the victim of a scam. So, Nationwide aren't liable for his loss in the first instance.

But, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have 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 preventing fraud and scams.

Also, I'd expect Nationwide to have 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). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

In this case, Mr W made four payments on the 6 January 2024 for £959, £954, £1,550 and £1,300. All of these payments were made to an existing payee that Mr W had paid before. Based on the size of the payments and pattern of them, I'm not satisfied that I can fairly say that Nationwide should've identified a potential scam risk or intervened when Mr W made them.

This was an existing payee, and the payments were spread out between 8am and 6pm. Also, while the payments constitute a lot of money for Mr W, they weren't significantly out of character or unusual. And, Nationwide has to strike a balance between identifying payments that could be fraudulent and then responding appropriately based on their concerns and ensuring minimal disruption to legitimate payments.

As I wouldn't have expected Nationwide to have intervened when the payments were made, I can't fairly say they could've prevented Mr W's loss

I appreciate that Mr W has suffered a loss and would like to know where the money ultimately ended up. But Nationwide can only trace Mr W's funds as far as his partner's account. It is for his partner's bank to trace the funds to the next beneficiary, if his partner raises a fraud claim with them. Also, Nationwide can only attempt recovery from Mr W's partner's account, which wouldn't have been successful as the funds were moved on to another account – so funds weren't recoverable in this situation.

I'm really sorry that Mr W has suffered this loss, but I'm not satisfied that I can fairly hold Nationwide responsible or ask them to refund him.

Mr W has raised a point about an overdraft facility which has been set up on his account by Nationwide. This matter hasn't been dealt with as part of this complaint and wasn't raised with Nationwide as part of the fraud claim Mr W made. If he wishes to complain about the overdraft facility on his account, Mr W should raise a claim with Nationwide in the first instance. If he's unhappy with their response, he can bring a complaint to our service.

**My final decision**

My final decision is that I don't uphold this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 April 2025.

Lisa Lowe  
**Ombudsman**