

The complaint

Mrs O has complained that Nationwide Building Society (“Nationwide”) failed to advise her correctly which led to her falling victim to a scam, and it hasn’t refunded what she lost.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mrs O explains that in September 2023 she sent £9,300 to a company, which I’ll call B, to reserve a plot of land, which she says she later discovered was fraudulent.

Mrs O says she visited the plot of land and explained that she wanted to build on it, and she was told by the agent there’d be no problem with that. Mrs O explains that after paying the deposit and receiving some documents she noticed the sellers’ details had been obscured. She says that later email correspondence with the owners of the land revealed that they didn’t know about the company selling it.

Mrs O says that before making the payment she contacted Nationwide as she’d received a message that the payee’s details couldn’t be verified, but she says Nationwide advised that this might’ve been because the payee’s bank doesn’t use the Confirmation of Payee system. She was advised to phone the company she was paying and check its details before continuing with the payment, which Mrs O says she did.

When Mrs O contacted Nationwide to report the fraud, Nationwide didn’t accept responsibility as it said Mrs O had initially used the wrong phone number to contact it to check whether the payee was fraudulent. Mrs O then made a complaint, and Nationwide asked her to provide evidence that she’d been the victim of fraud. Mrs O says she provided a bundle of around 150 pages of evidence, including a letter provided by her solicitor, but Nationwide refused to accept this as evidence, stating that it was only an opinion.

Mrs O has complained that Nationwide hasn’t upheld its “Scam Protection Promise”, which she’s quoted says: *If you call us or come into branch, we’ll ask you about the payment, check the details and tell you if we’re worried it’s a scam. Unless we told you not to make the payment, we’ll give you back every penny if it turns out to be a scam.*

Nationwide has paid Mrs O £50 for its handling of the matter, but it hasn’t refunded the money Mrs O lost as the deposit for the land. In its response to the complaint it said it didn’t think Mrs O had been scammed, but instead this was a civil dispute between her and the company she purchased the land from. IT said that it checked the authenticity of the estate agent as far as it could and it had been operating for many years, it has several plots of land available for sale online, and it also has many positive online reviews. Mrs O remained unhappy with this, so she referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. She explained that she thought the issue here was a private civil dispute between Mrs O and the estate agent, as opposed to being related to fraud or a scam.

As Mrs O didn't accept the investigator's opinion, the case has been passed to me to make a 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.

I'm sorry to disappoint Mrs O but having considered everything I'm afraid I'm not upholding her complaint, broadly for the same reasons as our investigator, which I've set out below.

I've carefully reviewed all of the comments Mrs O has made, as well as all of the information and evidence she's provided. And having done so, I'm afraid based on what I've seen I'm not persuaded Nationwide is responsible for what's happened here. That's not to undermine the extremely unfortunate situation she finds herself in, as there's no doubt that she's paid money for something that she hasn't ultimately got, but for me to hold Nationwide responsible for what Mrs O has lost I'd need to believe that the loss was attributable to Nationwide's actions.

The evidence I've seen points towards a dispute about ownership of the land that Mrs O was buying, the sales tactics used by the agent, and clauses within the sales contract which Mrs O says were in place to extract more money from the sale. In order for the starting point of the issue to be that this was a scam, I'd need to think that from the outset, the recipient of the funds didn't intend to provide Mrs O with what she was paying for. And I'm not persuaded that's the case here. During the calls between Mrs O and Nationwide she's clear that she instigated contact with the agent and found details of the land for sale online. She also explained that she was aware of the estate agents and that they had multiple properties available – and none of these factors lead me to believe that the agent set out to defraud Mrs O from the outset.

I say this because having reviewed everything provided by Mrs O, I can see she had extensive correspondence with the estate agents and received several documents in relation to the purchase, such as contracts, Land Registry documents, and transfer forms. I can also see correspondence in relation to the date Mrs O needed to make a payment, which it appears was made late; it appears this may be where the issue of the lost deposit has stemmed from.

Although the underlying issue here is a civil dispute between Mrs O and the estate agent, there are issues within the complaint about Nationwide's handling of the situation. So whilst I can't look at what's happened outside of Nationwide's actions, I can decide whether I think Nationwide has treated Mrs O fairly, and if it didn't, how that affected what happened next.

Nationwide advertises a "Scam Protection Promise", which it offers to its customers whereby if they believe they're at risk of being scammed, they can ask Nationwide for advice before sending any money. Nationwide says that unless it advises the customer not to make the payment, it'll refund anything they lose if the payment turns out to have been sent to a scammer. Mrs O says Nationwide should refund the money she's lost as Nationwide told her it was fine to make the payment, but this ultimately turned out to be a scam.

Mrs O says she called Nationwide to use this service, but Nationwide says it doesn't have a record of that – but it also acknowledges this doesn't mean it didn't happen. I've got no

reason to doubt what Mrs O has said, so I accept that she did call Nationwide and that her version of events is what happened.

Mrs O has explained that when trying to make the payment, she was advised that the “Confirmation of Payee” system hadn’t matched the name of the receiving account holder with the payee name Mrs O had entered. She says that during the call she was told this could be because the receiving bank doesn’t use the Confirmation of Payee system, and that she should check with the person who gave her the account details that they were correct. On this basis, Mrs O made the payment.

I think Nationwide was reasonable in how it dealt with Mrs O’s call. And from what I can see, it was right to say at the time that the receiving bank hadn’t yet signed up to the Confirmation of Payee system. But even if it had done more during the call, such as by investigating the company in question further, I think it’d have reached the same conclusion that it wasn’t a scam, based on the information available in the public domain. I do understand that it’s difficult to conclusively prove that the situation hasn’t involved some malpractice or dishonesty, but on balance I’m satisfied that this is a civil dispute as opposed to a scam, which ultimately means it isn’t covered by Nationwide’s Scam Protection Promise.

Having considered everything, I don’t think Nationwide gave Mrs O incorrect information which led to her losing the deposit she paid for the land. I can see that the payee’s bank wasn’t required to be part of the Confirmation of Payee Scheme at the time this payment was made, so it was correct for Nationwide to give Mrs O an alternative means to verifying the account details she was paying were correct. Whilst I do understand this wouldn’t have categorically prevented a scam from taking place – but neither would the Confirmation of Payee system – which would’ve likely avoided the need for the call in the first place if the result had been positive.

Finally, Mrs O says Nationwide didn’t take the time to consider the evidence she sent it before dismissing her complaint as one it wasn’t responsible for. She says she provided upwards of 150 pages, yet it decided it wouldn’t consider the payment as a scam in less than 24 hours. But given what happened here, I don’t think it was unreasonable for Nationwide to reach the conclusion it did. Even though I understand why Mrs O feels the decision was rushed or Nationwide didn’t consider the evidence she’d provided properly, I don’t think that’s ultimately led to Nationwide reaching the wrong outcome.

I do recognise that Mrs O has spent a considerable amount of time dealing with this complaint and she’s shared a lot of information about what happened. But my powers as an ombudsman don’t extend to considering all the issues at play here. So if I’ve not commented on something, it’s not because I haven’t read everything Mrs O has said. It’s because I believe some of the issues are best dealt with outside of this service.

I’m very sorry about the situation that Mrs O has found herself in and I do understand that my decision will be disappointing. But for the reasons I’ve set out above, I don’t hold Nationwide responsible for the losses Mrs O has faced.

My final decision

I don’t uphold Mrs O’s complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs O to accept or reject my decision before 6 November 2024.

Sam Wade

Ombudsman