

The complaint

Mrs T complains that Nationwide Building Society won't refund her the money she lost after she fell victim to an Authorised Push Payment ("APP") scam.

In bringing her complaint to this service Mrs T is represented, but for ease of reading I will refer to Mrs T throughout this decision.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In December 2023, Mrs T received a message regarding a job opportunity. She was told the job involved completing tasks by reviewing products, which would boost sales and visibility of those products. She was told that for 20-40 minutes work a day, she could expect to receive at least 100 USDT a day, alongside commission and bonuses. Believing everything to be genuine Mrs T proceeded, but unknown to her at the time, she had been contacted by fraudsters.

The fraudsters then persuaded Mrs T to pay with her own money in order to proceed with the work. These funds were paid in cryptocurrency which she bought directly from sellers operating in the peer-to-peer market (P2P). It was this cryptocurrency that was then sent and lost to the scam.

Mrs T made the following payments, totalling £2,446 from her Nationwide account, which ultimately ended up in accounts that the fraudsters controlled.

| | Date | Amount | To |
|----|------------------|--------|---------|
| 1 | 16 December 2023 | £53 | Payee 1 |
| 2 | 16 December 2023 | £30 | Payee 1 |
| 3 | 18 December 2023 | £310 | Payee 2 |
| 4 | 18 December 2023 | £80 | Payee 3 |
| 5 | 18 December 2023 | £480 | Payee 4 |
| 6 | 18 December 2023 | £100 | Payee 5 |
| 7 | 21 December 2023 | £450 | Payee 6 |
| 8 | 23 December 2023 | £350 | Payee 7 |
| 9 | 28 December 2023 | £388 | Payee 8 |
| 10 | 4 January 2024 | £205 | Payee 9 |

Mrs T did initially receive some money back into her account, with £112.35 being paid to her on 16 December 2023. But she realised she'd been scammed when, after making all of the payments above, she was asked to pay further sums of money in order for her to proceed with the work.

Mrs T raised the matter with Nationwide, but it didn't uphold her complaint. In summary it said Mrs T had made the payments to individuals to purchase cryptocurrency which she had

received. It added that the payments were of low value, paid to personal accounts and as such they didn't give it cause for concern. Nationwide confirmed it had tried to recover the money Mrs T had sent from the beneficiary accounts (the accounts to which the payments were made), but it wasn't able to recover all of the money lost.

Unhappy with Nationwide's response, Mrs T brought her complaint to this service. One of our Investigators looked into things, but didn't think the complaint should be upheld. In summary, she didn't think Nationwide missed an opportunity to identify that the payments were being made in relation to a scam. She also agreed that Nationwide hadn't missed an opportunity to recover the money.

Mrs T didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for a final 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 very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I understand Nationwide doesn't believe it should be held responsible for Mrs T's loss as it says she'd purchased USDT, which she received. However, it doesn't automatically follow that this means Nationwide can't be held liable for the loss Mrs T incurred. This is because the potential for multi-stage scams ought to have been well known to Nationwide. And as a matter of good practice it should fairly and reasonably have been on the lookout for payments presenting an additional scam risk – including those involving multi-stage scams.

In broad terms, the starting position at law is that a bank or payment provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

However, there are times when I might expect a payment provider to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Nationwide) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams. I've considered whether there was anything about the circumstances surrounding the payments that could have put Nationwide on notice that they were being made as part of a scam, but I don't think there was. I'll explain why.

Nationwide has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There are many millions of payments made each day, and it would not be possible or reasonable to expect a bank to check each one. Nationwide needs to strike a balance between protecting its customers and minimising disruption to legitimate payment journeys.

I say that because, while not insignificant, the payments weren't for what I'd consider to be particularly large amounts and there were other transactions, for not dissimilar amounts, on Mrs T's account in the twelve months leading up to the scam. I'm mindful of the number of

payments Mrs T made to the fraudsters and that the frequency of payments can be an indicator of fraud. But in the circumstances of this case, I have to balance that alongside the payments fluctuating in terms of value (rather than consistently increasing, which is more typical of fraud), and Mrs T had historically made multiple transfers on the same day previously from the account.

I'm also mindful that these payments were P2P crypto transactions - it is my understanding that Nationwide would not have been aware that they were cryptocurrency related, as all it would have known is that funds were being transferred between two parties (and so it wouldn't have been able to pick up on the additional risk that comes with cryptocurrency related payments).

When taking the above into account, alongside the relatively low value of the payments, I don't think a pattern had formed that was so suspicious, to the extent where I could reasonably have expected them to have given Nationwide cause for concern. As I don't think the payments will have looked particularly suspicious or unusual to Nationwide, I think it's reasonable that Nationwide didn't identify that Mrs T was potentially at risk of fraud as a result, or provide any warnings or carry out any additional checks before allowing the payments to go through.

With this in mind, I don't think Nationwide made an error in allowing the payments to be progressed or missed an opportunity to prevent the fraud.

I've thought about whether Nationwide did what could reasonably be expected of it to recover any of the funds Mrs T lost when it was made aware of the scam. Given the funds had been exchanged into cryptocurrency and then been moved onto accounts controlled by the fraudsters, any attempted recovery would have had a limited prospect of success. That said I can see Nationwide did attempt to recover the money Mrs T had lost from the beneficiary accounts and it was able to recover £205, which was returned to Mrs T's account on 26 January 2024.

I have a great deal of sympathy with Mrs T being the victim of what was clearly a cruel scam, and I understand this must have been a very difficult time for her. But I don't find that Nationwide has acted unfairly in processing the payments Mrs T made and in turn I've decided Nationwide isn't responsible for reimbursing her.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 16 July 2025.

Stephen Wise
Ombudsman