

The complaint

Mr K complains about Nationwide Building Society.

He says that Nationwide should have done more to protect him when he became the victim of a scam and would like it to refund him the money he has lost.

What happened

In June 2022, Mr K was contacted by an individual on social media offering investment in cryptocurrency.

He moved funds from his account with Nationwide to his account with 'W', and from there send the funds on to a crypto exchange.

Unfortunately, Mr K had been scammed and lost his money. I have listed the transactions in question below.

- 16 June 2022 - £480
- 16 June 2022 - £970
- 17 June 2022 - £500
- 17 June 2022 - £450
- 20 June 2022 - £450
- 21 June 2022 - £900
- 24 June 2022 - £800
- 25 June 2022 - £300
- 25 June 2022 - £2,000
- 27 June 2022 - £2,000
- 27 June 2022 - £3,000
- 28 June 2022 - £1,000
- 28 June 2022 - £2,000
- 29 June 2022 - £2,000

Mr K complained to Nationwide about what had happened, but it didn't uphold his complaint.

Mr K then brought his complaint to this Service, and our Investigator looked into things, but also didn't think that Mr K's complaint should be upheld. They said that the amounts in question weren't significantly unusual or suspicious enough for Nationwide to have been aware that Mr K was likely falling victim to a scam – and noted that the link between Nationwide and Mr K's account with W had been in place since 2019.

Mr K remained unhappy and asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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 have decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Mr K, so I'll explain why.

It isn't in dispute here that Mr K has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

In broad terms, the starting position at law is that an account provider such as Nationwide is 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 - and a customer will then be responsible for the transactions that they have authorised.

And while Mr K didn't intend for his money to end up in the hands of a scammer, I am satisfied that he authorised the payments in question here.

However, this isn't the end of the story. Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider it fair and reasonable in June 2022 that Nationwide should:

- Have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- Have had 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). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Nationwide acted fairly and reasonably in its dealings with Mr K when he authorised payments from his account or whether it could and should have done more before processing them.

Looking at the payments in question, I am not persuaded that Nationwide should have had concerns about any of the payments that Mr K made. While I do understand that the amount of money lost represents a significant loss to Mr K, the amounts in question were not individually large, or otherwise suspicious.

While I accept that from the 25 June 2022, the payments did increase in value, I do have to take into account that Mr K had been sending money to his account with W since 2019 – so there was already an established connection. Nationwide would also not have been aware that the funds were going to be used to purchase cryptocurrency. The information it had at

the time was that they funds were going to an account held in Mr K's name, which had been used before – and I'm aware that in April 2022, a similar sized transaction had been made.

So, I don't think that it needed to intervene in the payments Mr K had requested it to make.

I am very sorry that Mr K has lost money to an unscrupulous scammer – and is rightly upset by what has happened. But the loss he has suffered was not caused by Nationwide – it was the scammer. And I can't ask it to refund him when I don't think that it has done anything wrong.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 June 2025.

Claire Pugh
Ombudsman