

## **The complaint**

Mr P complains that Nationwide Building Society won't refund the money he lost when he was the victim of a job scam.

The details of this complaint are well known to both parties. So, if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Nationwide was responsible for Mr P's loss.

Mr P has also complained about other financial businesses in relation to the scam. But this decision relates only to the complaint about Nationwide.

## **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 agree with the conclusions reached by our Investigator. I'll explain why.

I want to first make it clear from the outset that there is no doubt that Mr P has been victim of a cruel and sophisticated task-based job scam and has lost a considerable amount of money as a result.

I don't underestimate the impact this has had on Mr P. While there are certain obligations on banks to protect consumers and prevent losses to scams in certain circumstances, these are not absolute. And so, there are unfortunately occasions where a consumer will lose out but have no recourse to a refund.

Firstly, it isn't in dispute that Mr P authorised the faster payments he made from his Nationwide account to an account in his name with another bank (which I'll refer to here as Bank M). The funds were then used to purchase crypto and were unfortunately transferred on to the scammers.

In broad terms, the starting position in law is that 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.

However, I consider that as a matter of good industry practice that Nationwide ought to have taken steps to intervene prior to processing a payment instruction where it had grounds to suspect a payment might be connected to fraud or a scam.

The question then arises whether Nationwide ought reasonably to have held such suspicions or concerns in relation to Mr P's payments — and if so, what might've been expected from a proportionate intervention.

So, taking all of this into account, I need to decide if Nationwide acted fairly and reasonably in its dealings with Mr P when he made payments lost to the scam in November and December 2023. Specifically, whether it should've done more than it did before processing the payments – and if it had, would that have made a difference. I also need to decide if Nationwide could've reasonably recovered the lost funds.

### Should Nationwide have flagged the payments as suspicious?

Nationwide has said the payments were being sent to Mr P's own account with Bank M and didn't flag on its systems. Our Investigator thought Nationwide's position was fair. Essentially, he said the payments weren't high risk (not going direct to crypto exchanges). And he didn't think the pattern of payments was conducive with fraudulent activity.

Mr P disagreed. In short, he said he used his Nationwide account as a savings account – and that the high value daily withdrawals were very much out of character with the usual account usage. Mr P said the funds were being transferred from his Nationwide savings account to his Nationwide current account, and then to a new payee – a newly opened account with Bank M. He said this should've all been a concern to Nationwide.

I can understand the points made by all parties here. I agree with Mr P that when looking at his previous account activity, the disputed payments did constitute a change in behaviour and that they were (both individually and collectively) high value. But I'm also mindful that it's not uncommon for an account(s) predominantly used for savings to be used to withdraw those funds as and when they're needed. This, in my opinion, would make the activity look different to an account, used for example, for day-to-day spending.

Further, at the time these payments were made there was a high prevalence of crypto related scams; and so, the risks of making crypto related payments should've been well known to Nationwide. But whilst the funds were ultimately intended for the purchase of crypto as part of a job scam – from Nationwide's perspective, the payments were going to an account in Mr P's name with Bank M – an FCA regulated bank – and not direct to a high-risk beneficiary (such as a crypto exchange).

And so, taking all this into account, I don't think, on balance, Nationwide acted unreasonably in not flagging the payments Mr P made to his account with Bank M as suspicious.

### Would an intervention by Nationwide in the payments have made a difference?

Whilst I don't think Nationwide acted unreasonably in not flagging the payments as suspicious, for completeness, I've thought about what is most likely to have happened if it had done so. In doing that, I've taken account of an interaction between Mr P and Bank M on 29 November 2023 about a payment he was trying to make as part of the scam from Bank M to a crypto exchange.

The first point to make here is that it's not in dispute that when Mr P spoke to Bank M he misled it about the true purpose of the payment – albeit I accept he was being guided by the scammers whilst on the call on how to respond to Bank M's questions; and has said he was given a cover story by the scammers in advance of the conversation with Bank M.

But this wasn't known by Bank M at that time; and the whole premise of the conversation with Mr P was on the basis he was involved in a crypto investment. While crypto investment scams were prevalent at the time these payments were made, payments involving the purchase of crypto can be part of a legitimate investment. And so, at the point Mr P confirmed the purpose of the payment (that being as part of an investment) – it wouldn't, in my opinion, have been automatically evident that Mr P was falling victim to a scam.

Mr P has clearly been the victim of a task-based job scam and he has said the purchasing of crypto facilitated the crediting of his account to access the job tasks. By November 2023 these types of scams were unfortunately becoming more prevalent, and I'd expect Nationwide to be aware of this; and to provide tailored warnings about task-based job scams to its customers.

But if Nationwide had contacted Mr P about the payments it could *only* be expected to have provided warnings about job scams *if* it was provided with accurate information on the situation surrounding a flagged payment. That unfortunately wasn't the case when Mr P spoke to Bank M. And so, I think it's more likely than not that had Nationwide questioned

Mr P, he would've provided it with the same misleading information he provided to Bank M, preventing Nationwide from providing an impactful warning to Mr P about job scams.

Mr P's not at fault here, and I can fully appreciate that, with the benefit of hindsight, he feels Nationwide should've done more to protect him. But taking everything into account I'm not persuaded, on balance, that any information Mr P might've provided Nationwide with if it had questioned him about his payments would've indicated he was in the process of being scammed. I don't think, therefore, that any reasonable action by Nationwide would've likely prevented Mr P's loss.

In terms of trying to recover the lost funds – I'd expect Nationwide to attempt this at the point it is first alerted to the scam – which in this case was 21 December 2023. Nationwide didn't investigate Mr P's claim at that time – instead directing him to raise a claim with Bank M – which he did. Nationwide then looked at the claim in May 2024.

But I don't think an opportunity was missed here by Nationwide. The payments were sent to Bank M and then immediately onto crypto accounts in Mr P's own name – and then onto the scammers. So, no funds were recoverable.

I have a great deal of sympathy for Mr P and the loss he's suffered, as I appreciate it is a significant sum of money. But it would only be fair for me to direct Nationwide to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Nationwide has acted fairly and so I'm not going to tell it to do anything further.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision **before 4 April 2025**.

Anna Jackson  
**Ombudsman**