

## The complaint

Mr C complains that Nationwide Building Society (NWide) won't refund money he lost in a job scam.

## What happened

### *What Mr C says:*

Mr C was looking for a job on LinkedIn and someone contacted him on WhatsApp about a job opportunity. He was offered the job – which was to increase the appeal of online merchants' products by adding reviews and ratings to them.

He was told he would get 25% commission if he completed two sets of tasks in five days – this was said to be worth 500USDT.

He says he didn't check the credentials of the company concerned. After a few days he was told he couldn't continue as his account had a negative balance and he had to put money in. Otherwise, he couldn't take any money out.

He was guided to open an account at a crypto exchange, and from there he transferred it (under guidance from the scammers) to the company concerned.

The payments were:

Date	Payment	Amount
27 June 2023	Debit card to Mr C's account at crypto exchange	£40
28 June 2023	Debit card to Mr C's account at crypto exchange	£118
30 June 2023	Debit card to Mr C's account at crypto exchange	£300
1 July 2023	Debit card to Mr C's account at crypto exchange	£800
1 July 2023	Debit card to Mr C's account at crypto exchange	£2,420
<b>Total</b>		<b>£3,678</b>

When he went to withdraw the money, he couldn't and he realised he had been scammed.

As a result he lost the money. He is short of money and cannot afford to pay his utility bills (on which he owes £5,000) He feels embarrassed at what happened and feels he has let his family down.

He says NWide should've done more to protect him – he had never made payments to a crypto exchange before and NWide should've stopped the payment. He says the bank

should refund the money he's lost - under the CRM Code.

Mr C firstly reported the payments to NWide in June 2023 as being unauthorised by him – in other words, that he didn't make the payments. NWide looked into that and confirmed to him that he authorised the payments by using his phone registered to him in their records.

Mr C then said he had been scammed and put that complaint to NWide. He says he had been called a liar by NWide and he wants an apology.

*What NWide said:*

- NWide didn't refund any money. They said Mr C had authorised the payments and then confirmed them to be genuine through online banking.
- The first two payments were flagged in the bank's fraud systems for checks and were released after Mr C authorised them online.
- They said the payments were made to his own account at the crypto exchange merchant and that was where the losses occurred.
- The payments were of low value and wouldn't have been flagged by their fraud systems.
- In their final response (January 2024), NWide referred to Mr C's earlier claim that the payments weren't authorised by himself.
- NWide said if they had stopped the payments and spoken to Mr C, they said they weren't sure Mr C would've been honest in his answers - given his previous claim.

*Our investigation so far:*

Mr C brought his complaint to us. Our investigator didn't uphold it. She said:

- The payments were of low value and so wouldn't have triggered a warning in NWide's fraud systems.
- The payments were to a legitimate merchant who hadn't had any warnings published about them.
- The first two payments were flagged for checks by NWide and so Mr C had a chance to review them, but he authorised them online as being genuine.
- She said Mr C hadn't done any due diligence on the job opportunity.

Mr C didn't agree and asked that an ombudsman look at his complaint. He said scams such as his were common and it was important for NWide to prevent them, whatever the value of the payments.

### **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 hear that Mr C has lost money in a cruel scam. It's not in question that he authorised and consented to the payments in this case. So although Mr C didn't intend for the money to go to a scammer, he is presumed to be liable for the loss in the first instance.

So, in broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what is fair and reasonable in this case.

But that is not the end of the story. 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 NWide should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I need to decide whether NWide acted fairly and reasonably in its dealings with Mr C when he made the payments, or whether it should have done more than it did. I have considered the position carefully.

Mr C has said the CRM Code applies here. The Lending Standards Board Contingent Reimbursement Model Code (CRM Code) provides for refunds in certain circumstances when a scam takes place. But – it doesn't apply in this case. That is because it applies to 'faster online payments' made to a UK beneficiary– and in this case, the payments were made by debit card, and to an account in Mr C's name.

The first consideration here is: if the payments were of a sufficient size and were out of character with how Mr C normally used his account – then we might expect NWide to have intervened and contacted him.

I looked at Mr C's account – and it is fair to say he only used it to receive a monthly salary which was then paid out to a family member. He made many online debit purchases for low amounts. So, it was reasonable that NWide intervened in the first two payments – and I've seen that Mr C then confirmed these as being genuine in his online banking.

But, more importantly in this case, there's a balance to be made; NWide has certain duties to be alert to fraud and scams and to act in their customers' best interests, but they can't be involved in every transaction as this would cause unnecessary disruption to legitimate payments. And here – these were payments and for relatively low amounts. Therefore, in this case, I think NWide acted reasonably in processing the payments – I don't think I could reasonably say that NWide should have stopped or refused the payments for further checks.

Quite simply, they were too low in value for us to expect them to be questioned or stopped by NWide.

Therefore, I can't say that NWide can reasonably be held liable to refund the money to Mr C.

Mr C also says "NWide (has) accused me of being a liar and labelled me as untrustworthy customer. I feel humiliated and desperate".

I will address this point. I think he feels that way because of what NWide put in their final response – the bank referred to his previous claim that the payments weren't authorised by him, and this claim was declined by NWide.

When Mr C brought that complaint to us he said he claimed they were unauthorised because he felt under pressure and very stressed by what had happened. We then advised him to put his claim to NWide as an Authorised Push Payment scam claim. I can't really comment on whether Mr C intended to try to deceive NWide, or whether he made a genuine error in claiming what he did. But it seems to me that the best way forward here is for Mr C and NWide to speak to try to get an understanding going forward.

But – what I can say is that this has no bearing in my decision here. I do not think it is reasonable to have expected NWide to have intervened in the payments for the reasons I've given.

**Recovery:** We expect firms to quickly attempt to recover funds from recipient banks when a scam takes place. I looked at whether NWide took the necessary steps in contacting the bank that received the funds – in an effort to recover the lost money.

But here, the funds went from the bank account to a crypto currency merchant and the loss occurred when crypto was then forwarded to the scammers. In this case, as the funds had already been forwarded on in the form of cryptocurrency there wasn't likely to be anything to recover.

Mr C has lost a lot of money. He's explained why the money was important to him, and the impact his losses have had. I was sorry to learn of his circumstances. He will therefore be disappointed by my decision, but I'm not going to ask NWide to do anything here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 December 2024.

Martin Lord  
**Ombudsman**