

## The complaint

Miss M's complaint is about Nationwide Building Society's refusal to reimburse her money she says she lost due to an investment scam.

Miss M is represented by CEL Solicitors in this matter. I will refer to Miss M solely in this decision for ease of reading.

## What happened

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview of events.

Miss M says she has fallen victim to an investment scam. In short, she says that a scammer tricked her into making payments towards what she thought was a genuine investment. Below is a list of the payments concerned:

Payment Number	Date	Beneficiary/Merchant	Method	Amount
1	31 May 2021	Cryptonet.Exchange	Debit card	£176.88 (plus £5.29 transaction fee)
2	1 June 2021	Light Technology Ltd	Transfer	£2,000
3	16 June 2021	Payward Ltd	Transfer	£25
4	16 June 2021	Payward Ltd	Transfer	£1,500
5	28 June 2021	Payward Ltd	Transfer	£1,870.53
6	30 June 2021	Payward Ltd	Transfer	£860
7	30 June 2021	Payward Ltd	Transfer	£10

After the seventh payment, Miss M made another transfer of £1,075 to Payward Ltd on 5 July 2021. Nationwide intervened in this payment and spoke to Miss M. Consequently, the scam was uncovered. Nationwide investigated the matter but did not reimburse Miss M the money she had lost. Therefore, she raised a complaint which she referred to our service.

One of our investigators considered Miss M's complaint about Nationwide and did not uphold it. Miss M did not accept the investigator's assessment. The reasons for this can be found in Miss M's representative's letters dated 3 and 11 October 2024. I will not repeat the

submissions in detail here, but in summary, they relate to the nature of the transactions concerned, their amounts, frequency, and patterns – including why an intervention from Nationwide would have made a difference. Because Miss M did not accept the investigator's findings, this matter has been passed to me to make a decision.

### **What I have 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 investigator's findings at first instance. My reasons why are set out below.

#### Contingent Reimbursement Model (CRM) Code

I am satisfied that the CRM code does not apply to any of the payments Miss M made in this matter. Payment 1 was a card payment; however, the CRM code does not apply to card payments. Regarding the other payments, the CRM code would not apply to them because, in short, they were all cryptocurrency related transactions. Further, some of the payments were made to accounts in Miss M's name – Payward Ltd – meaning the CRM Code would not apply to them either.

#### Was the disputed payment(s) unusual, out of character or otherwise suspicious?

Banks need to strike a balance between the extent to which it intervenes in payments to try and prevent financial harm from fraud, against the risk of unnecessarily inconveniencing or delaying a legitimate transaction. However, if a bank should have noticed that something did not look right with a transaction, this is known as a 'trigger'.

With the above in mind, I need to consider whether any of the payments in this matter were so unusual, suspicious, or out of character – that they should have triggered. That is, Nationwide ought to have intervened before the payments concerned were released.

Having considered this, I do not find that Nationwide ought to have intervened in any of Miss M's payments in this matter.

Turning to Payment 1. I acknowledge that this payment was cryptocurrency related and made to a new payee. I have weighed those factors against the following. Firstly, not all cryptocurrency related transactions are made because of a scam. Therefore, banks still need to balance its obligations to monitor and detect potential fraud, whilst also allowing customers to make these types of payments. Secondly, Payment 1 was low in value and in-line with previous payments on Miss M's account. For these reasons, I do not find that there were sufficient risk factors concerning Payment 1 to warrant an intervention from Nationwide.

Turning to Payment 2. I acknowledge that this payment was cryptocurrency related, high in value (relative to Miss M's account) and made to a new payee. I have weighed those factors against the following. Firstly, ditto. Secondly, it is not unusual for consumers to make the occasional payment which is higher than others on their account. Thirdly, Miss M's balance was healthy enough to accommodate Payment 2. Fourthly, the transfer did not clear the majority of Miss M's available funds. Fifthly, Miss M confirmed to Nationwide when setting up payee, Light Technology Ltd, that the purpose of Payment 2 was 'Bill invoice or property sale'. Whilst the scammers told Miss M to select this payment purpose, by doing so, Miss M would have assuaged any concerns Nationwide may have had about Payment 2. For these reasons, I do not find that that there were sufficient risk factors concerning Payment 2 to

warrant an intervention from Nationwide.

In relation to the other payments in this matter, I repeat the relative points set out above. I would add that the remaining payments were lower in value than Payment 2, and they were not made in quick succession. Further, when Miss M set up the payee, Payward Ltd, she selected the payment purpose as 'Your own account or card'. Again, the selected payment purpose would have alleviated any concerns Nationwide may have had about payments made to Payward Ltd.

Lastly, I do not find that there were any other reasons highlighting that the payments concerned were unusual, suspicious, or out of character.

#### Recovery of funds

As Miss M's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover. So, I am satisfied that it is unlikely Nationwide could have done anything to recover Miss M's funds.

Turning to chargeback regarding Payment 1, which was a card payment. This payment was made to purchase cryptocurrency – meaning the goods/services concerned were fulfilled when purchased. Therefore, I am not satisfied that there was any reasonable prospect of success had Nationwide raised a chargeback – under the relevant scheme – on behalf of Miss M.

#### Vulnerability

Based on the evidence available to me, I have not seen anything to suggest that Nationwide was aware of Miss M's personal issues at the time and/or the resulting impact. Therefore, I cannot say Nationwide should have dealt with Miss M's payments differently.

#### Conclusion

Taking all the above points together, I find that Nationwide acted fairly and reasonably in the circumstances of this complaint. Therefore, I will not be directing Nationwide to do anything further.

#### **My final decision**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 10 February 2025.

Tony Massiah  
**Ombudsman**