

The complaint

Mr W complains that Nationwide Building Society hasn't refunded him after he reported falling victim to a scam.

What happened

In January 2023 Mr W hired an escort through a service he'd found. He met up with this person several times, she'd visit his home, and sometimes stay the night. Mr W has explained how they'd spend time together, including going shopping where Mr W would buy things for her.

As time went by, the escort said she'd stop her line of work if Mr W would support her financially. He agreed to do so. Believing she was no longer escorting, Mr W sent her money to fund her lifestyle and to support her personal finances. Mr W says she often promised to pay money back, though he only ever received a fraction of what he sent her.

Mr W later discovered she'd not given up the escort work. He confronted her and asked for his money back. But she said there was nothing left, and communication ceased at that point.

This was around June 2024, and Mr W reported what had happened to Nationwide, saying he'd been the victim of a scam. He told Nationwide he'd been taken advantage of, and explained his health conditions which he explained made him vulnerable.

Mr W was reporting payments made between November 2023 and June 2024 as being made toward a scam, essentially accepting that the earlier payments had been legitimate.

Nationwide looked at what had happened but said it wouldn't return any of Mr W's money. It said he had a dispute with the escort, rather than it being a case of him having been scammed.

Nationwide incorrectly directed Mr W to this service to make a complaint, rather than registering and investigating one itself first. It later acknowledged this error and offered Mr W £50 in compensation.

Mr W was unhappy with Nationwide's response and so brought his complaint to our service. He felt it ought to refund his loss as he still believed he'd been the victim of a scam. He also complained that Nationwide had told him – when he was reporting what had happened – that it would be able to trace and recover his money.

One of our investigators considered the complaint and said she couldn't uphold it. She felt Nationwide's position – that Mr W had a dispute with the escort – was fair and reasonable in the circumstances.

She listened calls between Nationwide and Mr W and couldn't find evidence to show the building society had said it would be able to recover Mr W's money. Instead, she found it told Mr W it could attempt to recover the funds from the receiving bank where possible.

Mr W didn't accept our investigator's findings and 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'm reaching the same outcome as our investigator and for broadly the same reasons.

Mr W is, generally speaking, responsible for any payments he makes from his account which he authorises. That's set out in the relevant legislation – the Payment Service Regulations (2017) – and is confirmed in Mr W's account terms and conditions.

There are times, however, that an account provider like Nationwide might become responsible for reimbursing transactions that are made as a result of a scam. Such a responsibility might be brought about by way of the Contingent Reimbursement Model (CRM) Code, or through a consideration of best practice and industry guidance relating to account monitoring for fraud prevention.

However, if there were to be any such responsibility assigned, it would first need to be established that a scam has taken place. And, here, I'm not persuaded it has been. That is to say, I'm persuaded the circumstances are better and more fairly and reasonably described as a private dispute between Mr W and the escort.

Mr W has confirmed he engaged the services of the escort and that this developed into more of an ongoing relationship. I don't necessarily mean what might be described as a more traditional romantic relationship, but it's clear Mr W and the escort engaged with each other extensively over a long period of time.

It then appears to be the case that if the escort asked for money, then Mr W would provide it to her. And there doesn't appear to have been any formal agreement or arrangement for what the money was to be used for, or if and when it might be paid back.

I can accept that Mr W might have even been misled about what the escort planned to use the money for. But that isn't enough for me to find that she'd scammed him. Even if it was never her intention to repay him. This would still be best described as a private dispute between the two of them, and not one Nationwide ought fairly and reasonably to be responsible for addressing.

I can also accept that the escort might have taken advantage of Mr W, at least to some extent. But given the nature of the relationship between them, and the nature of the requests for money, I can't say Nationwide has acted unfairly or unreasonably in declining to refund Mr W.

I have also considered Nationwide's actions whilst the scam was being reported. It's evident from the phone calls that Nationwide only ever said it would attempt recovery of Mr W's funds; there were never any guarantees given. I can't then find it misinformed him as to his prospects of getting his money back.

I'm very sorry to hear about what's happened to Mr W and I don't doubt the impact the relationship with the escort has had on him, whether that be financially, emotionally, or mentally. But I can't say that Nationwide ought to be the party to repay any loss Mr W may have suffered.

I leave it to Mr W to arrange with Nationwide should he wish to accept the £50 in compensation previously offered, if it hasn't already been paid.

My final decision

I don't uphold this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 25 February 2025.

Ben Murray
Ombudsman