

The complaint

Mr L has complained that Nationwide Building Society won't refund the money he lost after falling victim to a scam.

What happened

Mr L was looking for work, and was contacted by scammers posing as recruiters. They referred him to a fake employer who offered him remote work. He was instructed to complete tasks, and to pay money in to clear negative balances and earn commission.

Over the course of about a week, Mr L paid the scammers over £7,000. He did this by making transfers from his Nationwide account to an account of his own at a payment service provider. Then from there, he bought cryptocurrency and sent it to the scammers.

Eventually, Mr L was unable to pay more money in, and the scammers were pressuring him to pay more or he'd lose his funds. He realised he'd been scammed and reported it.

Nationwide were unable to recover the funds as they'd been sent to Mr L's own account at the other firm, and they didn't think they were otherwise liable for Mr L's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr L's representatives asked for an ombudsman to make a final decision, so the complaint's been passed to me to decide.

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 understand that Mr L fell victim to a scam, and so he has my sympathy. I appreciate this cannot have been an easy time for him, and I appreciate why he would like his money to be returned. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened, and who really owe Mr L his money back. But I can only look at what Nationwide are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Nationwide liable for Mr L's loss. I'll explain why.

It's not in dispute that Mr L authorised the payments involved. So although he didn't intend for the money to end up with scammers, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, Nationwide had an obligation to follow his instructions – the starting position in law is that banks and building societies are expected to process payments which a customer authorises them to make.

Nationwide should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Nationwide should have done more in Mr L's case.

However, I don't think the payments involved were so unusual or out of character that Nationwide needed to intervene. They were going to a genuine account of Mr L's at another regulated firm, and he had a history of making payments of relatively similar amounts to other accounts of his. While this was unfortunately a substantial amount to lose, the payments were somewhat spread out, and the spending was not quite so large and rapid enough at any particular point to have required intervention on this particular account. Mr L's representatives pointed out that the other firm can be used to pay into crypto sites. But while that's true, it can be used for many things. I don't think Nationwide needed to assume that these payments were for crypto. There was nothing else about these payments which I think should've definitely caused Nationwide to intervene. And Mr L didn't speak to anyone at Nationwide about the payments directly at the time, so they didn't miss an opportunity to identify the scam during any particular conversation.

Next, I've considered what Nationwide did to try to recover Mr L's money after he told Nationwide about the scam. Unfortunately, as the funds had been sent to Mr L's other account and then sent on, it wasn't possible for Nationwide to recover them. And payments to one's own accounts are not covered by the CRM Code for scams either. So there wasn't really anything more that Nationwide could do to get Mr L's money back.

So while I am very sorry indeed to hear about what the scammers did to Mr L, I don't think Nationwide can fairly be held responsible for his loss. And so I can't fairly tell Nationwide to refund Mr L's money in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 March 2025.

Adam Charles
Ombudsman