

The complaint

Ms O has complained that Nationwide Building Society won't refund some money she paid, in what she says was a scam.

What happened

In summer 2020, Ms O sent around £23,000 from her Nationwide account to an individual via an international money transfer service.

Nationwide questioned Ms O about this at the time, and Ms O explained that the individual was someone she'd known for over a decade. He'd helped her to sell property abroad, and she'd lent him over £5,000 in the past which he'd more than repaid. They'd met a number of times while she was abroad and had spoken a lot over the years. He asked her to help fund a project of his, promising to repay the money. A loan agreement was drawn up between them. Nationwide asked that Ms O look into the project in more depth, but Ms O chose to go ahead and pay him.

In late 2023, Ms O reported this to Nationwide as a scam. She said the individual had kept promising to repay her but kept giving excuses.

Nationwide tried to recover the funds but couldn't. Nationwide didn't think they were liable for Ms O's loss, as they said this was a civil dispute, not a scam.

Our Investigator looked into things independently and didn't uphold the complaint. Ms O asked for an ombudsman's review, 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 Ms O hasn't got her money back, that she's found the matter to be most stressful, and that she's gone through a very tough time more widely, for which she has my sympathy.

I should explain that in this complaint against Nationwide, I can only look at what Nationwide are responsible for. This is an important point, as Nationwide are not generally responsible for enforcing private agreements. While I know it must be very frustrating dealing with someone who's not upholding their end of a deal, when we talk about scams, this specifically excludes civil disputes. And I'm afraid I think that this situation is a civil dispute.

There is a high legal threshold or burden of proof to conclude that someone was intentionally trying to commit fraud. And here, I've not found any substantive evidence which shows that the individual set out to intentionally defraud Ms O. People can fail to uphold their end of an agreement for many reasons – e.g. financial difficulties, external problems (such as a global pandemic), reliability or competency issues, and so on. The individual's failure to repay Ms O is not, on its own, proof that he was intending to defraud her from the start. Instead, the evidence at hand strongly points to this being a civil dispute where one side is accused of not upholding their end of an agreement. I say this for the following reasons:

- The individual is someone who Ms O had known for a very long time indeed, was clearly familiar with, had spoken with at length, and had met in person. This was not a case where, for example, she was cold called by a stranger, or where a scammer pretended to be someone she knew
- The individual provided a lot of documentation and pictures to evidence that they were who they said they were, and that they were the same individual who Ms O had met in person
- Ms O had successfully done business with this person over a high-value transaction
- Ms O had successfully lent this person a substantial sum of money in the past, which they repaid in good time. It's unlikely that someone intending to scam Ms O would repay such substantial sums to her
- The company this project was run under does exist and its documentation was provided
- The project also exists, was produced, can be verified as being real, and public records substantiate that the individual in question did in fact have the role he said he did. This is not a case where, for example, a scammer took money for a project which didn't exist or which they weren't really involved in
- The individual provided Ms O with a written agreement
- The individual kept in touch with Ms O for years afterwards, and gave her updates and reasons for the delays in repayment. This is not a case where, for example, a scammer took the money and disappeared
- I've found no warnings, convictions, or other public evidence which shows that this individual was defrauding people through this project

In summary, I've not found compelling evidence which shows that this was a scam. Instead, the evidence substantially points to this being a civil dispute. So while I'm sorry to hear about the trouble Ms O is having in getting repaid, I don't think Nationwide can fairly be held responsible for the civil dispute between her and the individual. And so I cannot fairly tell Nationwide to refund Ms O in this case. I can only suggest that Ms O pursues the individual directly to enforce the agreement between them.

My final decision

For the reasons set out, I don't uphold this complaint against Nationwide Building Society.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 30 December 2024.

Adam Charles
Ombudsman