

## **The complaint**

Mr G complains that Nationwide Building Society failed in its duty to support him as a vulnerable customer when his compulsive spending problem resulted in him losing a significant amount of money from his account.

## **What happened**

Between May 2018 and January 2022, Mr G made a number of payments out of his Nationwide account to an online trading company. He's said he was using the payments to carry out spread-betting with the trading company, but that his compulsive spending problem led to him losing a significant amount of the money he sent. Mr G feels Nationwide failed to identify him as vulnerable or ask about the large and unusual number of payments he was making and that, if it had done, it would have helped reduce the losses he suffered.

Nationwide investigated Mr G's complaint but said the payments out of his account were authorised by him and were made to a legitimate company for genuine services. It said Mr G also received a large number of credits into his account from the trading company, so the total activity wouldn't have triggered any intervention. And that, even if it had intervened, it wouldn't have had any grounds to block the payments. So it didn't agree it had made any errors and didn't agree to refund any of the loss Mr G had suffered. Mr G wasn't satisfied with Nationwide's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They said there wasn't any evidence that Nationwide was aware of Mr G's compulsive spending problem and that, if it had intervened, he would have been able to prove the payments were going to a genuine company. They also said Nationwide didn't offer any unaffordable or irresponsible lending to Mr G and that it wasn't able to offer financial advice about the trading he was doing. So they didn't think Nationwide should have stopped Mr G making the payments or that it should be responsible for reimbursing any of the loss he suffered. Mr G disagreed with our investigator, 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.

Mr G has queried how he could spend such high volumes of money over this time without Nationwide questioning him. However, there is no legal obligation on banks to monitor account activity unless there are signs of financial difficulty or other concerns around potential fraud, scams or illegal activity. So I've assessed whether Nationwide should have identified any warning signs as a result of the activity on Mr G's account.

I've not seen anything to suggest Mr G made Nationwide aware of his compulsive spending problem during the period in which the payments were being made to the trading company.

In the first few months when Mr G starts making payments to the trading company, from June 2018 onwards, he does make a significant number of large payments. But the

payments are all funded by the existing balance in his account before he started making the payments, or by transfers into his Nationwide account from another account in his name.

The account is almost always managed so there is a credit balance available in it. And on the one occasion the account does go overdrawn, it doesn't exceed his agreed overdraft limit and a payment is made into the account the following day to bring the account back into a credit balance.

There are also a significant number of large credits into Mr G's account from the trading company, which suggests his activity with the company is legitimate and doesn't suggest he is suffering significant losses or problem spending.

And so, while the amount of money moving through Mr G's account at this time was significant and an increase on how his account had been used previously, the activity appears to be genuine, his account appears to be being well managed and he wasn't spending outside the funds available in his account. And so I don't think it was unreasonable that Nationwide didn't have any concerns or identify any warning signs in the activity on his account at this point, and didn't take any action to question the activity or offer support.

After this initial activity in the first few months Mr G was sending money to the trading company, the payments he is making to the company become significantly less frequent. There are significant numbers of unrelated transactions on his account in between the transactions with the trading company. And his account continues to be well managed, only occasionally entering his agreed overdraft and usually receiving credits to bring it back into a credit balance relatively quickly. And so I think any warning signs in the activity on Mr G's account become harder to identify after this point and I don't think it's unreasonable that Nationwide didn't take any action after this point either.

So I don't think it's unreasonable that Nationwide didn't identify any warning signs or take any additional action as a result of the activity on Mr G's account here.

In any event, even if Nationwide had identified warning signs in the activity on Mr G's account and taken action to address these, I don't think the action I would've reasonably expected it to have taken would've prevented Mr G making the payments he did.

If Nationwide had contacted Mr G and asked questions about the activity on his account, I think he would have confirmed that he had authorised all the payments to the trading company and that the trading company was legitimate – and so there was no fraudulent activity on his account or risk of a scam.

And as Mr G was carrying out legitimate trading with the trading company, Nationwide would have been very limited in the questions it could ask him and the support it could offer – as it couldn't offer him financial advice about the investments he was making. Once Mr G confirmed it was him making the payments and the trading company was legitimate, any questions Nationwide asked about the frequency with which Mr G was investing or the amount of money he had sent to the trading company, or any support it offered about the risks of investing, could have been considered financial advice.

So I wouldn't have expected Nationwide to ask these questions or offer this support if it had contacted Mr G about the activity on his account. And so I don't think any action I would reasonably have expected Nationwide to take would have prevented Mr G making the payments he did.

Mr G has also confirmed that he continued investing with a different investment company after the payments he was making to this trading company stopped. And that he also sent

money to a trading company from an account he held with another bank. So even if the payments he made to the trading company from his Nationwide account had been stopped, I'm not satisfied he wouldn't have sent the money to a different investment company or from a different account instead.

I sympathise with the position Mr G has found himself in, and I appreciate that my decision will come as a disappointment to him. But I'm satisfied Nationwide has behaved reasonably in how it dealt with the activity on his account, and that nothing I would reasonably have expected it to do would have prevented the payments he made. And so I don't think it would be fair to require it to do anything further.

### **My final decision**

For the reasons set out above, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 April 2025.

Alan Millward  
**Ombudsman**