

The complaint

Ms R complains that Nationwide Building Society ("Nationwide") won't refund her the money she lost after she fell victim to an Authorised Push Payment ('APP') scam.

What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around February 2024, Ms R received a message, through a well-known messaging app from somebody claiming to be a recruiter, about a job opportunity. She was told the job entailed reviewing hotels online to increase their rating, for which she would earn commission. Believing everything to be genuine, Ms R proceeded, but unknown to her at the time, she had been contacted by fraudsters. The fraudsters then persuaded Ms R to pay her own money in order to proceed with the work.

As part of the scam, as well as using accounts she already held (including her Nationwide account), Ms R was instructed by the fraudsters to open multiple accounts, with other payment service providers, as well as with cryptocurrency platforms. The scam saw Ms R moving money between her accounts to facilitate payments, making faster payments to individuals who were selling cryptocurrency through 'peer-to-peer' (P2P) exchange platforms and sending money directly to accounts she had set up with cryptocurrency platforms. Her payments were then converted into cryptocurrency and subsequently transferred into accounts that were controlled by the fraudsters.

Between 16 February 2024 and 22 February 2024, Ms R made multiple transfers from her Nationwide account, totalling nearly £10,000, to an account that she held with another provider, with the funds then being moved on and ultimately ending up with the fraudsters. The Investigator has laid these payments out in detail in their view, so I don't intend to repeat them here.

Concerned with the activity on her account, on 22 February 2024, Nationwide stopped Ms R making any further payments and asked her what the purpose of the payments were. Ms R initially told Nationwide that she was moving money to purchase a car, but on further questioning by Nationwide said she was planning a trip and sending money to a friend. Ms R has said she was being pushed what to say by the fraudsters and didn't give accurate answers, as her goal was to get back the money she had sent as quickly as possible.

Not satisfied with the answers Ms R had given, Nationwide asked her to provide it with evidence of the account she held with the provider she'd sent the money to. In the meantime, Nationwide has said it blocked her account. While her Nationwide account was blocked, Ms R continued to move money to fraudsters from other accounts she held.

Ms R realised she'd been scammed when she was still unable to withdraw any of the money she had sent and was asked by the fraudsters to continue making payments.

Ms R raised the matter with Nationwide on 14 March 2024. But she told it she had fallen victim to a romance scam, rather than what she had actually fallen victim to, which was a job scam. Ms R has said she wanted to admit to Nationwide that she'd been scammed, but she didn't think what type of scam mattered. She said a romance scam had been mentioned previously, so she said this as she didn't want to go through everything again with Nationwide (in its earlier conversations with Ms R, Nationwide had suspected a potential romance scam and discussed this with her).

Nationwide didn't uphold Ms R's complaint. Unhappy with Nationwide's response, Ms R brought her complaint to this service. One of our Investigators looked into things, but didn't think the complaint should be upheld.

Ms R didn't agree with our Investigator's view. As an agreement couldn't be reached, the complaint has been passed to me for a final decision.

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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having thought about everything carefully, I agree with our Investigator and am not upholding this complaint. I'm sorry to hear that Ms R has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that Nationwide be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. On spotting such a payment, I'd expect it to intervene in a manner proportionate to the risk identified.

Nationwide was a signatory of the Lending Standards Board's Contingent Reimbursement Model ('CRM Code'). Under certain circumstances, the CRM Code can require that firms reimburse customers who have fallen victim to scams. However, the Code doesn't apply to these payments as Ms R sent the payments to her own accounts, which don't fall under the CRM Code, so it isn't an applicable consideration in this case.

However, the regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

In this case, I need to decide whether Nationwide acted fairly and reasonably in its dealings with Ms R when it processed the payments, or whether it should have done more than it did.

I've first thought about whether the payments Ms R made were out of character and unusual enough so that Nationwide ought to have challenged them. In doing so, I'm mindful that firms, such as Nationwide, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

I am not entirely convinced that the initial payments Ms R made exhibited particularly concerning or irregular account behaviour – such that I would reasonably have expected Nationwide to be concerned that she may have been at risk of financial harm. While I understand the amounts paid were of substantial value to Ms R, they weren't of such high value that they stood out from payments that banks would typically see on a customer's account on a regular basis.

But I do think, on 22 February 2024, the frequency and the value of the payments were such that Nationwide were right to have concerns about the activity on the account and of the risk of financial harm to Ms R. I can see that Nationwide did intervene. In the circumstances of this case, I'm satisfied this was the right action, at the right time, and in blocking her account, Nationwide prevented Ms R from losing any further funds from her Nationwide account.

I think it's also helpful to note here that even if Nationwide had intervened sooner than it did, it's more likely than not that this wouldn't have made a difference and stopped Ms R from losing this money. Sadly, it seems to me that she was so determined to make the payments that, even if Nationwide had prevented her from doing so and blocked her account sooner, which for the avoidance of doubt I don't think it was required to do, she'd have simply sent the funds from another of her accounts – which is evident from what she went on to do.

Thinking next about the recovery of payments, given Ms R sent the money from Nationwide to an account that she held with another provider, before legitimately buying cryptocurrency from individual sellers (who were unlikely to have been involved in the scam), or through transferring money directly into cryptocurrency wallets she held – there would have been no opportunity for Nationwide to have recovered any of the money she sadly lost.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Ms R. I have a great deal of sympathy for Ms R being the victim of what was clearly a cruel scam that has had a significant impact on her. But I can only compel Nationwide to refund Ms R if it is responsible for the loss incurred. For the reasons explained, having carefully considered the circumstances of this complaint, I can see no basis on which I can fairly say that Nationwide should be held liable for the loss Ms R has sadly suffered.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 5 September 2025.

Stephen Wise
Ombudsman