

The complaint

Mr and Mrs B complain that Nationwide Building Society won't refund money they lost to a scam.

A firm represents Mr and Mrs B, but for ease, I have referred to Mr and Mrs B in my decision.

What happened

The background to this complaint is well known to both parties so I won't repeat it all again here.

Mr B said he received a phone call from someone who claimed to be an investment broker offering an investment opportunity. Between October 2023 and January 2024 Mr B made payments totalling £119,865 towards what he thought was a genuine cryptocurrency investment. However he realised he had been scammed when the scammer began asking him to pay various fees including a withdrawal fee, which he refused to pay and he ceased contact with the scammer. He raised the matter with Nationwide, but it didn't uphold his complaint.

Our investigator also didn't think the complaint should be upheld. While she thought Nationwide ought to have intervened, she was not persuaded it would have been able to uncover the scam and prevent the loss.

Mr and Mrs B didn't accept the investigators view, as such the complaint has 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.

Having done so, I have reached the same outcome as our investigator and for similar reasons. I know this will come as a disappointment to Mr and Mrs B, but I'll explain my reasons why.

In broad terms, the starting position in law is that banks such as Nationwide are expected to process payments and withdrawals that a customer authorises it to make. As the payments were authorised by Mr B, in accordance with the Payment Services Regulations and the terms and conditions of the account, he is liable for the loss.

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Nationwide should have looked at the wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

I note that Nationwide intervened when Mr B attempted to make a payment of £10,000 in

January 2024 to an account he holds with another bank. It enquired about the purpose of the payment and provided warnings proportionate to the risk concerns it had. But I think it should have intervened sooner.

Many of the payments were made to a cryptocurrency provider, and I think Nationwide ought to have been alert to this, as by the time the payments were being made, banks should have been aware that cryptocurrency payments carried a heightened risk of fraud. That's not to say that all cryptocurrency related payments are fraudulent or should be treated as so.

Having reviewed Mr B's account activity and the payments he made, I don't think the first four payments were of significant enough value, or sufficiently unusual or out of character for Mr B for them to raise concern that he might be at greater risk of harm from fraud.

However I think Nationwide ought to have intervened before processing the payment of £5,000 made on 30 November 2023 and enquired further about the circumstances surrounding the payment. Although I accept that there is evidence of historic payments to the same cryptocurrency provider, this payment was of significantly higher value than the payments he made to the same merchant in the 12 months prior. Taking into consideration the value of the payment and knowing that it was related to the purchase of cryptocurrency, I think it ought reasonably to provide a warning specifically about the risks of a cryptocurrency scam.

While I think Nationwide could have done more to protect Mr B, I must also consider whether earlier intervention would have been effective in the circumstances. And I am not persuaded it would. I say this because when it did intervene, I find Mr B was initially uncooperative. He also gave inaccurate answers when questioned about the purpose of the payment. Mr B stated that he was just moving his funds around, and he intended to use the money to purchase gold which is something he had done in the past. He explained that he wanted the money in place with his other bank so that he could make a purchase when the price of gold improved. Mr B spoke to the bank a second time regarding the same payment and maintained the same cover story. I think he also reassured the agent that he was in control and had a good understanding of this type of investment when he explained that he purchases cryptocurrency from an account held externally and stores it in a cold wallet until he was ready to invest.

One of the agents warned of third-party involvement in his investment, and about suspicious texts, calls or emails. The agent also warned of a third party asking him to send money to a cryptocurrency address he did not own. I think the warnings provided were proportionate to the scam risk here and ought to have resonated with Mr B as many of the features described were present in his circumstance. Nevertheless, Mr B opted to continue making payments. I find Mr B was under the scammer's spell, he was determined to make the payments and willing to mislead the bank in order to ensure they would be processed.

In light of all this, I'm not persuaded earlier intervention would have had a positive impact on Mr B and stopped him proceeding with any of the payments he made. Nor do I think the bank would have been able to uncover the scam. Therefore I can't fairly or reasonably hold it responsible for the money Mr B lost.

Considering the payments were made to an account in Mr B's name and the majority of them to a legitimate cryptocurrency platform, I'm not persuaded there were any prospects of recovering the funds he lost.

I have carefully considered all that has happened. I understand that Mr B has been the victim of a cruel scam, and I sympathise with him. However I must put aside my feelings and consider the matter impartially. I could only uphold this complaint and require Nationwide to

refund the payments if I thought its errors made a material difference and I'm not persuaded that they did here.

My final decision

For the reasons I have outlined above, my final decision is that I do not uphold this complaint.

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

Oluwatobi Balogun
Ombudsman