

The complaint

X complains about Nationwide Building Society.

She says that Nationwide didn't do enough to protect her when she became the victim of a scam and would like it to refund her the money she has lost as a result.

What happened

X found an advertisement online for a company which promoted investing in cryptocurrency, supposedly promoted by a well-known celebrity.

She completed a contact form and soon after was contacted by someone from the company who explained how they could help her to invest. Unfortunately, this person was a scammer – and set about manipulating X into parting with an extremely significant amount of money.

X was persuaded to download Anydesk and was given access to a fake platform where she could 'see' her investment. In reality, as soon as the funds left X's bank accounts, the money was already in the hands of the scammer.

During the time that the scam took place, the individual kept in regular contact with X, falsifying a professional, and friendly relationship – it is clear from the messages that have been shared from this Service that X regarded her advisor as a friend, and they exchanged pleasantries about family and life in general.

As well as parting with her own money, and to borrow money from friends and family. X wasn't truthful with the lenders or the friends and family about what the lent funds were for.

It has been hard to identify the true loss X has suffered from the scam, as X hasn't been able to explain where some of the money ended up – however, the loss is extreme – somewhere in the region of £500,000-£600,000, and represents a lifetime of savings for X, who has now also incurred significant debt due to the loans that were taken out.

X only realised she had been scammed when the police became involved, and until this point was reluctant to accept the reality of what had happened.

With the help of a representative, she has brought complaints against four banks which were involved in that happened.

Nationwide didn't uphold her complaint, it said that it had done all it could to prevent X's loss and wasn't the point at which her loss was made.

X and her representative then brought her complaint to this Service. Our Investigator looked into things but didn't think that the complaint should be upheld. In summary, they said that Nationwide did enough to try and prevent X's losses.

X then asked for a final decision on the complaint, so it 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.

Having done so, I've decided not to uphold this complaint. I know that this will be extremely upsetting for X and her family – the money she has lost represents the majority of her life savings, and I have no doubt that the realisation of what has happened to her has been truly devastating and will have a lasting impact.

The actions of the scammer in this situation are truly abhorrent – and the level of manipulation X has been subjected to is frankly obscene, and I am very sorry to hear what has happened to her.

However, my role here is to decide if Nationwide could have prevented the loss – and it is important to remember that it was not Nationwide who stole X's money from her – it was the scammer – and so my decision is purely based on Nationwide's actions.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

X authorised the payments in question here – so even though she was tricked into doing so and didn't intend for her money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Nationwide should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Nationwide should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts

as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Nationwide acted fairly and reasonably in its dealings with X when she authorised payments from her account or whether it could and should have done more before processing them.

Nationwide blocked the first payment X attempted to make from her account, and it spoke with her on the phone about what she was doing on 17 February 2023. Nationwide has provided a copy of this call to the Service, which I have listened to.

During the call, Nationwide identified that X was very likely the victim of the scam – it informed her that everything she had told it had the hallmarks of a scam, and that she should immediately cut contact with the individual and not make her payments. X seemed to accept this, and took Nationwide's advice to contact her other bank, H, to tell them that she has been the victim of a scam.

However, soon after, X contacted Nationwide to explain that she *hadn't* been the victim of a scam and wanted to make the payment. Nationwide explained that it wouldn't do so and said that it still believed that X was being scammed. And although X resisted and said that she would close her account if it didn't allow the payment, Nationwide told her that it wouldn't make the payment, and she would need to travel into branch with ID to close her account if she so wished.

X attended the branch and instructed Nationwide to move her funds to her account with H on 3 March 2023. Nationwide allowed her to do so – but it also told her that it still maintained it suspected she was being scammed, and that it would be contacting H, her other bank to explain this. The funds were then sent to H.

So, I don't think that there was anything more Nationwide could have done to prevent the onward losses that X suffered.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 13 March 2025.

Claire Pugh
Ombudsman