

The complaint

Mr L is unhappy Nationwide Building Society (“Nationwide”) hasn’t reimbursed him after he fell victim to an investment scam.

What happened

The details of the complaint are well known to both parties, so I won’t go into too much detail again here. However, in summary, Mr L has been the victim of a scam. He was tricked into sending £8,500 over a series of two payments from his Nationwide account to a cryptocurrency trading platform account he held with a third party, and then on to scammers. Mr L had been tricked into thinking he was sending the money to complete cryptocurrency trades with the help of a professional trader. Unbeknown to Mr L at the time, this person was actually a scammer.

Mr L feels that Nationwide should’ve identified the payments he was making as suspicious and discussed them with him before it allowed them to leave his account. He believes that had Nationwide discussed the payments with him, the scam would’ve come to light, and he wouldn’t have lost his money.

Nationwide doesn’t agree that it could have done anything more than it did to protect Mr L from the scam. It said the payments hadn’t raised any suspicions at the time they were made, and they were paid to an account in Mr L’s own name. It also said it wasn’t able to retrieve Mr L’s money when he reported the scam because the funds had already been moved on by Mr L from his cryptocurrency account as part of the scam.

Mr L disagreed with what Nationwide said and brought his complaint to this service. One of our investigators looked into things.

Our investigator didn’t uphold the complaint. They agreed with Nationwide that there wasn’t anything about the payments that meant Nationwide should’ve questioned them at the time. They also thought Nationwide had done all it could to recover Mr L’s funds once notified of the scam but unfortunately the funds had already been sent on to the scammer.

Mr L didn’t agree with the investigator’s findings and as an informal agreement could not be reached, the case 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.

In deciding what’s fair and reasonable, I’m required to take into account relevant: law and regulations; regulators’ rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

I'm really very sorry to hear about what's happened to Mr L. I understand this scam had appeared convincing and that he has lost both these funds and some existing cryptocurrency he had accrued over a number of years. I have significant sympathy for the situation he has found himself in. But having thought very carefully about what he's told us happened at the time and Nationwide's actions, I don't think it would be fair and reasonable for me to hold Nationwide liable for his loss. I'll explain why.

It is accepted that Mr L authorised the scam payments himself. So, although he didn't intend for the money to go to the scammers, under the Payment Services Regulations and the terms and conditions of his account, Mr L is presumed liable for his loss in the first instance. Where a valid payment instruction has been received, Nationwide's obligation is to follow the instructions that Mr L has provided. However, there are circumstances where it might be appropriate for Nationwide to take additional steps or make additional checks before processing a payment in order to help protect its customers from the possibility of financial harm from fraud. An example of this would be when a payment is sufficiently unusual or uncharacteristic when compared with the usual use of the account.

In such circumstances, I'd expect Nationwide to intervene and ask some questions about the intended payment before processing it. So, I've first thought about whether the transfers Mr L made could be considered out of character and unusual when compared with his usual account activity.

I've reviewed Mr L's account statements for the months leading up to the scam, and whilst I do agree that the payments in question are higher than the usual payments made from this account, I still don't think they were so remarkable or so suspicious that they should've stood out to Nationwide and prompted further discussion.

Whilst I agree that the two payments are somewhat significant in value, I also have to bear in mind that they were being paid to a well-established existing payee - an account in Mr L's own name. And Mr L had apparently been paying this account on a regular basis since October 2021. I'm not persuaded that the value alone was so significant that it meant Nationwide should've discussed the payments with Mr L before they were allowed to leave his account. It's not unusual to see customers to make the odd higher value payment from their account and the two scam payments under discussion here were made a few weeks apart. So, no obvious pattern of fraud would've been apparent to Nationwide. Given all the above, it wouldn't now be reasonable for me to say the scam payments should have stood out or looked so unusual when compared to Mr L's genuine account activity that they should've prompted further checks by Nationwide before they were allowed to leave Mr L's account.

I also have to stress that, at the time, Nationwide wouldn't have known that Mr L was making payments to a scammer. It is now only with the benefit of hindsight that we know that the payments were being made as the result of a scam and banks have to strike a balance between processing payments as per their customer's instructions and monitoring accounts for unusual and potentially harmful activity. In the particular circumstances of this case, I don't think it would be fair or reasonable to say that Nationwide should've identified the payments Mr L made as suspicious enough to warrant further checks.

I've also thought about whether Nationwide could've done more to help Mr L once it was notified of the scam, but I don't think it could. The funds had already been converted into cryptocurrency and transferred out of Mr L's account to the scammer and so there wasn't anything Nationwide could've done to recover the funds.

Finally, I want to say again that I am very sorry I had to hear about what has happened to Mr L. But I don't think his loss was caused by any specific failing on behalf of Nationwide. The fault here lies with the cruel and callous acts of the scammers themselves.

My final decision

My final decision is that I do not uphold this complaint about Nationwide Building Society.

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

Emly Hanley Hayes

Ombudsman