

The complaint

Ms H complains that Nationwide Building Society won't refund money she says she lost when she was a victim of a scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In 2024 Ms H complained to Nationwide about transactions she'd made on her account to what she's said were several different scams that originated from a romance scam that started in 2018. And as part of the scams, from what Ms H provided, I understand they involved her sending funds to the scammers (directly from her Nationwide account and also via her own accounts with several other banking providers), cash withdrawals made in branch and at cash machines, and the purchasing of gift cards and crypto.

Ms H referred her complaint to the Financial Ombudsman. Our Investigator didn't think Nationwide had to do anything further. She wasn't persuaded Ms H had lost money to a scam. This was because, despite requesting it, she didn't think she'd been provided sufficient evidence to show which of the disputed payments related to the alleged scams (based on, for example, the screenshots of the crypto and gift card receipts that had been provided).

Our Investigator said she could only be satisfied Ms H had purchased crypto and gift cards. She also didn't think Ms H had provided a clear explanation about what happened in each scam. And she noted that Nationwide had provided Ms H with strong scam advice, yet she appeared to have continued sending funds anyway. Furthermore, Nationwide were unclear as to what transactions were now being disputed – and based on Ms H's testimony, our Investigator was unable to get a true understanding of what happened.

Ms H asked for her complaint to be referred to an Ombudsman. She reiterated that she had been the victim of a scam and emphasised the impact this has had on her.

The matter 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.

While I'm sympathetic to the situation Ms H has found herself in, I've come to the same outcome as our Investigator and for similar reasons.

There isn't any dispute that Ms H authorised the transactions in question here. And in line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Nationwide is also expected to process authorised payment instructions without undue delay. But they also have long-standing obligations to help protect customers

from financial harm from fraud and scams. But those are predicated on there having been a fraud or scam. So, to start, I've considered whether Ms H has been a victim of a scam.

Ms H has provided a significant number of documents to the Financial Ombudsman in support of her claim that she has fallen victim to a scam – for this and other complaints she has raised against different financial firms. I've given Ms H's submissions very careful consideration. From this, I'm satisfied Ms H purchased crypto, gift cards and sent funds via a PSP. But I haven't seen anything to *specifically* show that these transactions (and which ones if so) were carried out in relation to a scam. So, while I've considered Ms H's testimony, I can only be satisfied that she made legitimate transactions on her account – but not that the ultimate beneficiary of the funds was a scammer.

That said, even if I were to be satisfied Ms H had fallen victim to a scam, I'm unable to establish the actual loss Ms H claims to have suffered. This is because I'm not satisfied the source of funds used in relation to some of the disputed transactions has been evidenced. Nor can I be satisfied that Ms H didn't benefit from some of the transactions (due to an absence of evidence of why they were made, along with many going to an account in her own name and withdrawn as cash). And without being able to establish the loss actually suffered (if any), I can't fairly or reasonably direct Nationwide to refund Ms H the disputed transactions.

Furthermore, even if I were able to ascertain this, I'm not persuaded Nationwide would be responsible for Ms H's claimed loss. This is because while there are circumstances where it might be appropriate for Nationwide to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud, I can't reasonably conclude this would've made a difference. This is because Nationwide provided Ms H with scam education, including romance scams, when previous scam claims were raised. But despite this, Ms H is claiming that she has continued to make payments to the scam anyway.

I'm also aware that Ms H didn't disclose the true purpose of a cash withdrawal she attempted with another bank. And so, had Nationwide questioned her about the disputed transactions before processing them, it's likely, on balance, Ms H similarly wouldn't have been honest about why she was making them. I appreciate Ms H says she was threatened by the scammers to not disclose the truth; but this means it would've been difficult for Nationwide to establish the transactions were being made in relation to a scam. It follows that I don't think Nationwide could reasonably have prevented them being made.

I know Ms H will be disappointed by this outcome. But for the above reasons, I don't think Nationwide has acted unfairly by not providing a refund. As I've said, I'm not satisfied, from the information I've seen, the transactions were made as part of a scam or what loss (if any) has been suffered. But even if they were made as part of a scam, I don't think Nationwide should've stopped them being made - or could've reasonably prevented Ms H's claimed loss by carrying out additional proportionate checks before processing them.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 21 March 2025.

Daniel O'Dell
Ombudsman