DRN-5328543

The complaint

Mr and Mrs B have complained that Nationwide Building Society won't refund the money they lost in a scam.

What happened

Mr B looked up a particular cryptocurrency exchange, but found it wasn't accessible from the UK. He commented about this on social media, and was contacted by a scammer posing as a representative of that crypto exchange. The scammer gave Mr B a link to sign up, but this was actually a link to the scammer's platform masquerading as the exchange.

In early 2024, Mr B made two card payments from his Nationwide account to his own existing crypto account, spaced about a week apart, totalling around £1,300. He then sent crypto on to the scammer's platform. Mr B was able to make withdrawals at first, but later was blocked from doing so and was asked to pay fees. He contacted the real exchange and was informed that he'd been dealing with an imposter.

Mr B reported the scam to Nationwide. Nationwide didn't think they were liable for Mr and Mrs B's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr B asked for an ombudsman's review, so the complaint's 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.

In doing so, I've taken into account everything which both sides have said and provided. Though as our service is a quicker and more informal alternative to the courts, I'll keep my decision focused on what I've found to be the key points.

I understand that Mr and Mrs B fell victim to a scam, and so they have my sympathy. I appreciate this cannot have been an easy matter for them to face, and I appreciate why they would like their money back. It's worth keeping in mind that it's the scammer who's primarily responsible for what happened, and who really owes Mr and Mrs B their money back. I also understand they may be unhappy with Mr B's crypto wallet provider. But in this case between Mr and Mrs B and Nationwide, I'm just looking at what Mr and Mrs B and Nationwide are liable for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Nationwide liable for the loss. I'll explain why.

While Mr B was misled about what he was paying for, he made the payments willingly himself, authenticating them using the proper process. So under the Payment Services Regulations, these payments would be considered authorised. And though Mr B didn't intend for the money to end up with a scammer, under the relevant regulations Mr and Mrs B are liable for the loss in the first instance. Broadly speaking, Nationwide had an obligation to follow their instructions – the starting position in law is that banks and building societies are expected to process payments which a customer authorises them to make.

Nationwide should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Nationwide should have done more in Mr and Mrs B's case.

While these payments were going to a cryptocurrency exchange, Nationwide were not expected to block or question every crypto payment – customers can and do use these exchanges legitimately. Indeed, that's what Mr B had originally been intending to do, and why he already had an existing crypto wallet. Here, the amounts were not nearly large or rapid enough to have been of particular concern for Nationwide. These were two relatively modest payments, spaced about a week apart. They didn't drain the account by any means, and were authenticated by the genuine customer to an account of his own at a legitimate and well-known exchange. So I don't think the payments were so unusual or concerning that Nationwide needed to intervene.

Next, I've considered what Nationwide did to try to recover Mr and Mrs B's money after they told Nationwide about the scam. Unfortunately, as the money had gone to Mr B's crypto account then been sent on, it wasn't possible for Nationwide to recall the funds. The CRM Code for scams didn't cover payments to one's own crypto account. And there was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against Mr B's own exchange rather than the scammer. And the exchange provided the service they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary, so Nationwide didn't need to try one in this case. And I'm afraid there was nothing more that they could've reasonably done to get that money back.

So while I'm very sorry to hear about what the scammer did to Mr and Mrs B, I don't find that Nationwide failed in any particular duty to them. And I'm here to decide this individual case impartially, rather than to teach Nationwide a lesson. I don't think Nationwide can fairly be held responsible for the loss, so I can't fairly tell Nationwide to reimburse Mr and Mrs B in this particular case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

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 27 August 2025.

Adam Charles

Ombudsman