

The complaint

Mrs W complains about Nationwide Building Society.

She says that she has been the victim of a scam and would like Nationwide to refund her the money she has lost as a result.

What happened

In August 2020, Mrs W made two payments of £10,000 to a company I will refer to as 'A'.

Mrs W already had an investment with A and looked up its details online and made an enquiry about making a further investment. She spoke with a representative of A who offered a two-year investment with a 6% return.

Mrs W completed online documentation about the investment, which is unfortunately no longer available, and paid A £20,000.

Mrs W became aware that the individual she spoke with left A shortly after her payments had completed and had no further contact with them. She is also unable to locate any other communication from A after this time.

In October 2021, Mrs W received a return of £599.48 – but she isn't able to confirm what this payment was for.

Mrs W now says that she has been scammed, and through a third-party, made a complaint to Nationwide about what had happened. She says that it should have done more to protect her from the alleged scam.

Nationwide didn't uphold her complaint. It said that A was a failed investment – and so this was a civil matter between Mr W and A, so the complaint was brought to this Service.

Our Investigator looked into things under the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code but said that they didn't think that Mrs W had been the victim of a scam – and so the CRM Code didn't apply – and that there was no other reason outside of the Code that meant that Nationwide should refund her for the money she has lost.

Mrs W and her representatives disagreed, and asked for an Ombudsman to make a final decision, so the complaint 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 have decided not to uphold this complaint. I know this will be disappointing for Mrs W, and I am very sorry for the situation she finds herself in and fully understand that she would want to attempt to recover the money that has been lost. But I need to decide

whether Nationwide can fairly and reasonably be held responsible for this.

It isn't in dispute that Mrs W authorised the payments she made to A. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that she's liable for the transactions. But Mrs W says that she has been the victim of an authorised push payment (APP) scam.

Nationwide has signed up to the voluntary CRM Code, which provides additional protection to scam victims, I have considered this payments Mrs W made in line with the Code.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.

I have set out the definition of an APP scam as set out in the CRM Code below:

... a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent.

The CRM Code is also explicit that it doesn't apply to private civil disputes. The wording in the code is as follows:

"This Code does not apply to:

- b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier."

I've therefore considered whether the payments Mrs W made to A fall under the scope of an APP scam as set out above. Having done so, I don't agree that that they do.

From the information I have seen, I'm satisfied that Mrs W intended to pay A – and the funds were received. While Mrs W hasn't been able to provide any paperwork regarding the investment, it is my understanding that A had been in business since 2016 – and that many investors received returns on their investment – but has since entered into financial difficulty.

Nothing Mrs W or her representatives have said shows that A intended to defraud or mislead her about the investment – and all evidence suggests that A was a legitimate company, but the investment Mrs W made hasn't worked out as she had hoped. I therefore think it was reasonable that Nationwide treated Mrs W's claim as a civil dispute and did not consider it under the CRM Code. I also don't think that there was anything Nationwide could have done to recover the funds on Mrs W's behalf, given the time that has passed since the investment was made, and that A has now found itself in financial difficulty.

I understand that Mrs W's representatives have said that Nationwide should have taken additional steps to identify and question Mr W about the nature of her payments given the size of the transactions – and that due to her age she may not have been able to assess the legitimacy of the investment. But as I have said above, I am not satisfied that A was operating as a scam – so I don't see how Nationwide could have deduced that it was one.

Given the size of the payments, arguably there was justification for Nationwide to have got in touch with Mrs W before processing them. However, in order for me to uphold this complaint,

I would have to think that an intervention would have prevented the payments, and I'm afraid that I don't think it would.

Had Nationwide contacted Mrs W about what she was doing – I think she would have told them that she was making an investment, and that she had authorised the payments. And I don't think that Nationwide would have had any concerns about what she was doing. It also wasn't for Nationwide to assess the suitability of a third-party investment.

Nationwide's role here was to make the payments that Mrs W told it to make. And I find that Nationwide couldn't have considered the suitability or unsuitability of a third-party investment product without itself assessing Mrs W's circumstances, investment needs and financial goals.

Taking such steps to assess suitability without an explicit request, would've gone far beyond the scope of what I could reasonably expect of Nationwide in any proportionate response to a correctly authorised payment instruction from its customers.

It is possible that further evidence may come to light at a later date, which may indicate A was operating a scam. Should such evidence come to light, then Mrs W can complain to Nationwide again, and refer the matter to this office, should she not be happy with the outcome.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 17 July 2025.

Claire Pugh
Ombudsman