

## **The complaint**

Mrs D has complained that Nationwide Building Society won't refund the money she lost after falling victim to a scam.

## **What happened**

Mrs D saw an advert on social media for an investment scheme. She enquired, was added to a group chat, and was offered very large returns. However, this was a scam.

Between May and August 2024, Mrs D made a number of payments from her Nationwide accounts to her own accounts at cryptocurrency exchanges. Then she bought crypto and sent it on to the scammers' platform. In total, she sent over £50,000.

In the end, Mrs D was unable to withdraw her investment, she was told to pay an up-front fee she couldn't afford, and the scammers blocked her.

Mrs D reported the scam to Nationwide. Nationwide sympathised, but didn't think it was liable for Mrs D's loss.

Our Investigator looked into things independently and partially upheld the complaint. Nationwide didn't agree, 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.

There's no dispute that Mrs D authorised the payments involved, even if she didn't intend for the money to end up with scammers. So under the Payment Services Regulations and the terms of her account, Mrs D is liable for the loss in the first instance. But the matter doesn't end there.

Taking into account the law, regulator's rules and guidance, relevant codes of practice, the duty to avoid foreseeable harm, and what I consider to have been good industry practice at the time, I consider that Nationwide should have fairly and reasonably:

- Monitored accounts and payments to counter risks such as fraud and scams;
- Had systems in place to look out for particularly unusual transactions or other signs its customers were at risk of fraud;

- In some circumstances, taken further steps or made further checks before a payment went out, or even blocked it, to help protect customers – irrespective of the type of payment involved.

Like our Investigator, I find that Nationwide should've been concerned by the point of the fifth payment. It was a notable amount, going to a cryptocurrency platform, escalating from her crypto payments of the previous days, which all but drained the balance. And by that point, the Financial Conduct Authority (FCA) and Action Fraud had published warnings about crypto scams, there was wide media coverage, and other leading firms had restricted such payments, so Nationwide should've had a good understanding of the risk of these scams and how they work. Mrs D hadn't made any other such transactions in the period before these scam payments. While she did occasionally make substantial payments to things like her credit card or other bank account, I think that this substantial crypto spending should've stood out as concerning.

I don't agree with Nationwide that the handful of crypto-related payments she made two years prior could be reasonably taken to constitute her regular, usual, contemporary activity. And while this next point isn't determinative, I'll also note that those payments were made as part of a previous scam, which I've looked at in a separate case and found that Nationwide should've intervened on and prevented anyway, which doesn't really help its case. The much smaller payments from even more years ago were even less relevant in establishing what Mrs D's contemporary pattern of spending was like. And since then, relevant warnings and rules had come into place which should've put Nationwide on notice about the high risk of Mrs D's recent activity.

Given the risk at hand, I think that by payment 5 Nationwide should've asked Mrs D automated questions about what she was doing. Then it should've provided warnings tailored to her answers. I've seen nothing to suggest that Mrs D's answers wouldn't have been honest – she wasn't told to lie if questioned, and in her other case she gave the correct payment purpose. And such a warning would've highlighted key features of this type of scam, tailored to Mrs D's answers, and should've resonated with her. From her contact with the scammers, it seems Mrs D was already wary after being scammed previously, so it seems likely and plausible that such tailored warnings would've broken the scammers' spell and stopped the loss from then on. So I think that Nationwide bears some liability for the loss from the fifth payment onwards.

I'll also note that Mrs D went on to make another substantial payment to her crypto wallet shortly after payment 5, bringing her total crypto spending that day to an even more concerning amount. As such, I would've expected Nationwide to carry out person to person intervention shortly after anyway, which I think would've been even more likely to uncover and prevent the scam. Reasonable questioning should've revealed that this bore the hallmarks of a relatively prominent scam.

I've also thought carefully about Mrs D's role in what happened. I do appreciate that she was given her own account on a professional-looking platform, and that the scammers reassured her with regular contact, and so on. But I'm afraid I think Mrs D ought to have had more concerns along the way about what she was being told and asked to do. For example, the platform's app was not allowed by her app store and she had to use suspect workarounds just to install it, she was offered very unrealistic returns, she found the scheme via social media, she'd been scammed like this before and was aware of this type of scam, it doesn't look like she was given any documents or much substantive to show that the scheme was legitimate, and it doesn't look like she substantially looked into the company or reasonably checked for negative information about them.

So I don't think I can fairly hold Nationwide solely liable for Mrs D's loss. I think Mrs D should also share liability for that loss.

Lastly, I've considered what Nationwide did to try to recover Mrs D's money after she told it about the scam. As these were payments to Mrs D's own crypto accounts, they were not covered by the CRM Code for scams. It wasn't possible for Nationwide to recover any of the money Mrs D had already sent on from her crypto accounts, and any funds still remaining in Mrs D's crypto accounts were still available to her, so there was nothing more for Nationwide to do there. And there was no chargeback reason which would've covered the card payment she made, so there was no prospect of success for a chargeback either.

### **Putting things right**

I direct Nationwide Building Society to:

- Refund 50% of the loss from the fifth payment (of £4,300) onwards; and-
- Add simple interest at the rate of 8% simple per year onto the refund, payable from the date each partially-refunded payment debited until the date of the refund.

If Nationwide considers that it's required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, it should tell Mrs D how much tax it's taken off. It should also give Mrs D a tax deduction certificate if she asks for one. Mrs D may be able to reclaim the tax from HMRC if she doesn't normally pay tax.

### **My final decision**

For the reasons I've explained, I uphold Mrs D's complaint in part, and direct Nationwide Building Society to put things right by doing what I've said above.

If Mrs D accepts the final decision, Nationwide Building Society must pay her within 28 days of the date our service notifies it of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 23 September 2025.

Adam Charles  
**Ombudsman**