

The complaint

Mrs C complains that Nationwide Building Society won't refund several payments she made and lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mrs C complains that from 11 April 2023 she sent several payments to what she thought was a legitimate investment.

When Mrs C was asked to make a number of payments to release her profit, she realised she'd been scammed. So, she raised a complaint with Nationwide.

Nationwide looked into the complaint but didn't uphold it. Nationwide didn't think it was responsible for the loss, as Mrs C sent the money on to accounts in her name before sending them on to the scammer. So, she brought her complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator didn't think the payments were of a value that would've triggered Nationwide's automatic payment checking system. She also didn't think Nationwide could have recovered the money lost to the scam.

As Mrs C didn't agree with the investigator's view, 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations (PSR) 2017, consumers are generally liable for payments they authorise. Nationwide is expected to process authorised payment

instructions without undue delay. As a bank, they also have long-standing obligations to help protect customers from financial harm from fraud and scams. However, there are many payments made by customers each day and it's not realistic or reasonable to expect a bank to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments.

Having considered the size of the individual payments up to the last payment of £7,000, I'm satisfied they were not of a value or remarkable enough to have triggered Nationwide's payment checking process. Mrs C had also been making payments for around a month before they started to increase in value, so she was starting to establish a link with the payee which in my view, would've made the payments look less like she was at risk of financial harm.

It's also worth noting that Mrs C had made some significant size payments over the course of the 12 months leading up to the scam. So, this is another factor that would make the payments to the scam look like normal account behaviour for Mrs C.

I understand Mrs C's representative has said that Nationwide should have identified that the payments were going to a payment provider linked to cryptocurrency, but I don't agree.

The first payment went to a known cryptocurrency provider. But as I've said above, this payment wasn't of a value I think should've triggered any intervention. The following payments went to a Payment Service Provider (PSP).

For the remaining payments Mrs C used a PSP service which is predominantly for the transfer of money. I'm satisfied it also wouldn't have been apparent looking at the payee account details that the final destination for the money was buying cryptocurrency or investing.

So, I don't find Nationwide did anything wrong when they didn't stop the first seven payments Mrs C made.

Nationwide did stop the final payment of £7,000 Mrs C attempted to make from her account to the scam. Nationwide invited Mrs C into a branch and from there she spoke to a fraud advisor who after asking a series of questions notified her that she was likely being scammed. This is a payment of a value that I would have expected Nationwide to stop, so I'm satisfied it intervened in the right place.

Mrs C has said she was suffering from a medical condition at the time of the scam - I'm sorry to hear she has been unwell. The reason this hasn't been referred to is because I'm satisfied without a scam taking place, Chase didn't need to act on this information alone. I've also not seen any information to show Mr G had told Chase about it. Medical information alone is not something I'd expect a bank to act on if there weren't other red flags which could highlight a consumer is at risk of financial harm.

Nationwide confirmed they were unable to consider the payments under the Contingent Reimbursement Model (CRM) code as the payments have been made to an account in Mrs C's name or by debit card.

After the debit card payment was made, the only potential avenue for recovery of the payments would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Nationwide is bound by the card scheme provider's chargeback rules. Whilst

there is no 'right' to a chargeback, I generally consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Nationwide didn't raise a chargeback and I don't find Nationwide has done anything wrong here. I'll explain why.

In the circumstances of this complaint, I'm satisfied that a claim would've unlikely been successful. Mrs C paid a legitimate crypto exchange, and she would have received a service from the crypto exchange. Mrs C's disagreement is with the scammer, not the crypto exchange. And so, it would not have been possible for Nationwide to process a chargeback claim against the scammer as Mrs C did not pay them directly.

So, I don't think Mrs C had any reasonable prospect of success if Nationwide were to have processed chargeback claims against the crypto exchange. So, I can't say that Nationwide acted unfairly when it considered Mrs C's chargeback claim.

The transfers Mrs C made were also to other accounts in her name. As Nationwide would have only been able to raise claims against where the money was sent to, and we know that money was moved on straight away to the scammer, I'm satisfied no claim would have been successful here either.

Mrs C feels that Nationwide should refund the money she lost due to the scam. I understand that this will have been frustrating for her. But I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Nationwide needs to pay Mrs C any compensation. I realise this means Mrs C is out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 9 May 2025.

Tom Wagstaff
Ombudsman