

The complaint

Ms K complains that Nationwide Building Society (Nationwide) won't refund the money she says was lost as the result of a scam.

What happened

In 2016, Ms K was introduced to an investment with a company I'll refer to as B. In 2016, 2017 and 2018, Ms K made payments as part of this investment.

In November 2019, Ms K was contacted by a person I'll refer to as S. S was a director of B. Ms K says she knew S and they socialised with S and his family.

S told Ms K that he had accidentally paid £35,000 into her Nationwide account. S said Ms K could either transfer the funds back to him, or he could take it out of her investment pot with B.

Ms K transferred the funds back to S on 15 November 2019, in three payments of £10,000 and one payment of £5,000.

In August 2023, a professional representative raised a fraud claim with Nationwide on Ms K's behalf – specifically in relation to the November 2019 payments. Nationwide considered Ms K's claim but declined to refund her saying she hadn't suffered a financial loss.

Ms K wasn't happy with Nationwide's response, so she brought a complaint to our service.

An investigator looked into Ms K's complaint but didn't recommend Nationwide refund her. The investigator explained that as Ms K received and paid out £35,000 to S, there was no financial loss. The investigator wasn't satisfied that these November 2019 payments related to Ms K's earlier investment and highlighted that Ms K hadn't raised her investment payments from 2016 to 2018 as part of her complaint to Nationwide or our service.

Ms K disagreed with the investigator's opinion. She says the credit to her account wasn't made due to an accident, but is part of the wider scam that S and B perpetrated on investors, and it forms part of her financial loss from her investment with B.

As the case couldn't be resolved informally it was passed to me to review.

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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened, in light of the available evidence.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

There are however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at "face value" – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Having carefully reviewed all of the evidence I've reached the same answer as the investigator, for the following reasons:

- Ms K received a credit of £35,000 from S, and on the same day, made payments to S for the same figure. On that basis, Ms K hasn't suffered a financial loss in relation to the payments made in November 2019, which are the payments specified in her complaint to Nationwide and our service.
- Even if Nationwide had intervened when Ms K made these payments, I'm not satisfied that they should've been concerned, or that the payments wouldn't have been made. I say this because Ms K had received £35,000 which she was returning to the party who paid her, so there was no reason for Nationwide to think Ms K was at risk of financial harm from fraud.
- I'm not satisfied that the £35,000 Ms K received on 15 November 2019 from S, relates to the earlier investment payments that she made to B.
- As Ms K hasn't raised those earlier payments as part of this complaint, I can't make a finding in relation to her original investment with B.

I'm really sorry to disappoint Ms K, but I'm not satisfied that I can fairly ask Nationwide to refund her.

My final decision

My final decision is that I don't uphold this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 7 July 2025.

Lisa Lowe
Ombudsman