DRN-5588730

The complaint

Ms M complains that Nationwide Building Society (Nationwide) won't provide her with a full refund after she fell victim to a job scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a very brief overview of some of the key events here.

Ms M was experiencing a number of difficulties in her personal life which affected her mental health, and she was looking for a job to earn some money.

Due to these difficulties, Ms M says her head wasn't in the right place when she received a text message from a scammer about an on-line job with Company Z, in which she could earn high commission (up to £4,000) upon completing sets of on-line product reviews.

After expressing an interest Ms M was offered the job. She was told to complete some tasks she would need to make payments and to do this she needed to set up accounts with crypto exchange companies – Company C and Company S.

Ms M set up these accounts and transferred money into them from her account with Nationwide.

Ms M received some initial credits and, seeing her balance with Company Z grow, she was told she needed to pay higher amounts to work the tasks and release the commission she'd earned.

As can be seen in the following table, Ms M made fourteen payments to the scammers and received two credits.

Payment Number	Date	Payment Type	Beneficiary	Amount Paid	Amount Credited
1	30/11/2024	Card	Company S	£26.42	
2	30/11/2024	Card	Company S	£26.68	
3	30/11/2024	Faster payment	Company C	£1.00	
4	30/11/2024	Card	Company S	£127.26	
5	30/11/2024	Card	Company S	£129.11	
	30/11/2024	Credit	Company C		£218.60
	02/12/2024	Credit	Company C		£807.62
6	03/12/2024	Card	Company S	£102.46	
7	03/12/2024	Card	Company S	£216.47	
8	03/12/2024	Card	Company S	£424.27	

9	05/12/2024 Confirmed as payment 9	Card	Company S	£793.81	
10	04/12/2024	Faster payment	Company C	£1,462.63	
11	05/12/2024	Faster payment	Company C	£30.00	
12	05/12/2024	Faster payment	Company C	£5.00	
13	05/12/2024	Faster payment	Company C	£20.00	
14	05/12/2024	Faster payment	Company C	£3,000	

When Ms M tried to make a further payment, after payment number 14, this triggered a system alert and intervention and after speaking to a Nationwide agent Ms M realised she had been scammed.

Ms M complained to Nationwide seeking a refund, as she considered that they should've done more to protect her and intervened much earlier. After initially rejecting her complaint request, Nationwide acknowledged that they should've looked at it more closely and paid Ms M £75. They then carefully considered it. Nationwide then accepted that they should've intervened at payment number 9, for £793.81, and considered that this would've prevented Ms M's losses from that point.

However, they also considered Ms M should accept 50% liability as there was no basis to believe this was a genuine job opportunity and she should've done more to protect herself from the scam.

Payments 1 to 8 total £1053.67. So, Nationwide's offer, from after that point (payment 8), was 50% of £5,311.44 (payments 9 to 14) which was £2,655.73 (rounded up). And Nationwide didn't take into consideration the earlier credits Ms M received.

Ms M was dissatisfied with Nationwide's response and payment offer which still leaves her with a loss. So, she brought her complaint to our service. However, our investigator considered that payment 9 should've triggered an intervention and that Nationwide's offer was fair and reasonable.

As Ms M remains dissatisfied her complaint has been passed to me to look at.

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, my decision isn't to uphold this complaint, and I'll explain why.

I should first say that:

- I'm very sorry to hear that Ms M has been the victim of this cruel job scam and lost a significant amount of money here.
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply to either card payments or faster payments to another account under your control.

<u>Payment Services Regulations 2017 (PSR)</u>

Under the PSR and in accordance with general banking terms and conditions, banks and building societies should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Ms M made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a building society should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Building Societies do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Nationwide should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have systems in place to look for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks and building societies are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Nationwide accept they should've done more here. Upon reflection they think they should've intervened at an earlier stage. They say payment number 9 should've been the trigger point, but Ms M disagrees.

Ms M thinks Nationwide should've noticed she was at risk of financial harm *'way before the 9th payment number'* and, if they were aware of a high scam rate, they shouldn't have allowed her to send money to crypto exchange companies.

Having looked closely at the payments 1 to 8 and Ms M's statements, I don't think any of these should've been blocked or triggered a Nationwide intervention. This is because:

A. Although cryptocurrency transactions were new to Ms M and cryptocurrency does carry a higher risk and isn't a regulated activity, it isn't unusual for consumers to use or invest in cryptocurrency and it is common for them to use crypto exchange companies. So, I wouldn't expect a financial firm to intervene for small payments where they've identified they are going to a cryptocurrency account / firm.

B. Payments for low amounts to another bank / cryptocurrency company that would likely provide warnings to account holders about the risk and have a fuller picture of the payments, would also lower the risk factor.

C. Nationwide process thousands of payments each day and, as mentioned above, they have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm.

D. Although there were five payments on 30 November 2024, which I accept is high for one day, these were all for very low amounts (1.£26.42, 2.£26.68, 3.£1.00, 4.£127.26, 5.£129.11), and in line with Ms M's normal spending pattern. So, I don't think at this point the pattern would've been an indicator of a potential scam.

E. The two transactions that followed (one for £218.60 on 30 November 2024 and another for £807.62 on 2 December 2024) were credits totalling £1,026.22. They were much higher than the cryptocurrency spend to date and separated by a few days. Although job scams do pay credits to gain the victim's trust, I think these credit amounts were higher than a financial firm would expect to see. And on 2 December 2024, I still don't think the pattern of transactions would've stood out or been suspicious or there would've been a concern that Ms M was at risk of financial harm.

F. On 3 December 2024, I think a pattern was starting to develop as there were now two days with a high velocity of payments and, on this day, each one was more than the previous. However, the payment amounts were still low (6.£102.46, 7.£216.47, 8.£424.27), mostly in line with Ms M's normal spending pattern and with the credits received were similar to the total payments made.

G. However, Payment 9 (£793.81) on 5 December 2024 was almost double the previous transaction, the fourth consecutive similar increase. Considering this, the earlier transactions and Ms M's spend with crypto getting higher and higher, I think payment 9 and the subsequent payments should've been considered a concerning pattern and Nationwide should've realised at this point she was potentially at risk of financial harm.

So, I think payment number 9 should've triggered a Nationwide intervention, to probe what was going on and give appropriate warnings, and this is the point at which Nationwide accept they should've done more.

The scam was unravelled when Nationwide intervened at a later point, when the transactions had significantly increased and, on this basis, I think it is fair and reasonable that they've accepted the same result would've occurred earlier and accepted some liability for Ms M's loss.

I then considered whether it would've been fair and reasonable for Nationwide to have accepted full liability.

There's a general principle that consumers must take responsibility for their decisions. With this in mind, I have considered whether Ms M did enough to protect herself from the scam.

Although I recognise how convincing these cruel scammers are and I appreciate the personal difficulties Ms M was facing that had an impacted on her, I don't think she did enough. I think she ought reasonably to have had concerns about the legitimacy of the job offered given the high salary for low hours and basic tasks. Also, a requirement to send funds in cryptocurrency to acquire the profits she'd supposedly earned. In addition, it was an unsolicited job offer via a messaging service app and not receiving a formal contract should've been seen as very unusual and warranted her to exercise greater caution and do more research. Furthermore, she was paying more money to the scammer then she was receiving back.

Considering the above contributory negligence here, I think it is fair and reasonable for Nationwide to share liability where they and the customer are equally at fault for the loss. Regarding efforts to recover Ms M's loss. For those payments made to the scammer by:

- Card to her account with a crypto exchange and then onto the scammer:
  - I don't think Nationwide could've been expected to recover the funds. This is because the goods and service were rendered, and no funds would've remained.

- Faster payments to her account with a crypto exchange and then onto the scammer:
    - I don't think Nationwide could've been expected to recover the funds. They'd already been removed from Ms M's account (after payment by the exchange) and so there wouldn't be anything left to recover when the scam was reported.

Although the distress to Ms M has been caused by the cruel scammers, I think Nationwide's initial rejection of her claim would've added to this. So, I think it was fair and reasonable for them to acknowledge this, reconsider and pay £75 compensation payment.

In conclusion, I recognise Ms M has been the victim of a cruel scam and I'm very sorry she's lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Nationwide acted fairly and reasonably in its dealings with her, so I won't be upholding this complaint and asking them to make any further refund.

My final decision

For the reasons set out above, my final decision is that I'm not upholding this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 9 September 2025.

Paul Douglas
Ombudsman