

The complaint

Mr S has complained that Nationwide Building Society won't refund the money he lost after falling victim to a scam.

What happened

Mr S was invited to an investment group chat and was persuaded by a scammer to join their cryptocurrency investment scheme, promising large and fast returns. Over the course of two days in early 2024, Mr S paid £1,000 from his Nationwide account to his cryptocurrency wallet across two card payments. He then sent crypto onto the scammer. The day after, Mr S received about £1,600 from his crypto wallet into his Nationwide account.

Mr S explained he was told to pay a fee to withdraw, and was told it had to come from his own money and couldn't be taken off his profits. He realised the scheme wasn't legitimate.

The following month, Mr S complained to Nationwide about the scam via representatives. Nationwide didn't think they were liable for Mr S's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr S's representatives asked for a final decision, 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.

I understand that Mr S fell victim to a scam, and so he has my sympathy. I appreciate this cannot have been an easy matter for him to face, and I appreciate why he would like his money back. It's worth keeping in mind that it's the scammer who's primarily responsible for what happened, and who really owes Mr S his money back. But I can only look at what Nationwide are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Nationwide liable for Mr S's loss. I'll explain why.

First, I must note that Mr S received more money into his Nationwide account from his crypto wallet than what he paid in. So, while I'm aware that Mr S did suffer a loss from separate payments to the scam made from a separate account of his at a different bank, it doesn't look like he suffered any loss from his Nationwide account. As such, there'd be no loss for Nationwide to potentially reimburse in any case. But even if I set that aside, I'm afraid I still couldn't fairly tell Nationwide to reimburse him.

It's not in dispute that Mr S authorised the payments involved. So although he didn't intend for the money to end up with a scammer, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, Nationwide had an obligation to follow his instructions – the starting position in law is that banks and building societies are expected to process payments which a customer authorises them to make.

Nationwide should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Nationwide should have done more in Mr S's case.

However, I don't think the payments involved were so unusual or out of character that Nationwide needed to intervene. While this was a substantial amount for Mr S to lose, the payments were not nearly so large as to have been of particular concern, and were smaller than other payments Mr S had recently made. While they were going to a crypto wallet, it was an account in Mr S's own name which he'd used before and was an existing payee, and Mr S had made a number of transactions relating to crypto in the preceding period. It was just two payments spread over two days, rather than a series of many rapid payments, they didn't drain Mr S's account, and there was nothing else particularly suspect about them.

Further, even if Nationwide *had* intervened, I don't think it's likely they would've uncovered a scam, and I think it's more likely than not that Mr S would've still gone ahead. I say this because Mr S's other bank did intervene. They asked him clear questions and probed his answers. But Mr S misled them, gave detailed false answers to reassure them, and did not heed their warnings. For example, he told them that no one had contacted him about the investment, he was able to withdraw, he'd been investing in crypto for about 4 years, he'd done 18 months of market research on this, and was receiving professional financial advice from a personal friend who he said had previously sorted his mortgage. This meant that his other bank couldn't reasonably uncover the scam or deter him. As such, it seems most likely that intervention by Nationwide wouldn't have made a difference either.

Finally, I've considered whether Nationwide could've reasonably done more to recover the money after Mr S told them he'd been scammed. As I noted above, it's not clear that Mr S suffered any loss via Nationwide. But in any case, as he'd sent the money to his own crypto wallet, there was nothing more for Nationwide to do on that front – any crypto he'd then sent on to the scammer would then be unrecoverable for Nationwide, and any funds left in his wallet could just be taken out by Mr S himself. As these were card payments to a crypto wallet in Mr S's name, they were not covered by the CRM Code for scams. And there was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against the crypto exchange rather than the scammer. And the exchange provided the service they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary. So Nationwide didn't need to try one here.

So while I'm very sorry to hear about what the scammer did to Mr S, I don't think Nationwide can fairly be held responsible for his loss. And so I can't fairly tell Nationwide to reimburse Mr S in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 July 2025.

Adam Charles
Ombudsman