

The complaint

Mr S complains that Nationwide Building Society won't refund the money he lost when he sent payments to an investment that he now believes to have been fraudulent.

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 everything sent by both parties, I understand it to be as follows.

Mr S was introduced to an investment opportunity by his business partner. After showing interest in the investment, Mr S made a payment for £200,000 in August 2024. He believed he had been scammed when he wasn't able to withdraw any funds.

Mr S complained to Nationwide as he believed they should have done more to protect him. He was also unhappy they didn't tell him about their Scam Checker service prior to the payment being made and they didn't manage his expectations in relation to recovery of the lost funds.

Nationwide looked into what happened and said that while they agreed the payment should have raised an alert based on the amount, the expected level of intervention wouldn't have stopped Mr S from proceeding with the payment. This is because he had become involved through a trusted business partner, he was already an experienced investor, and he had spent a number of months considering and researching the opportunity, having met the investment manager in person.

Nationwide also said that Mr S was able to provide the investment agreement when in branch, and so had this been reviewed during any intervention, the investment wouldn't have appeared to be a scam. Because of this, Nationwide said they wouldn't have been able to prevent the payment from being made, as the investment would have looked genuine to both them and Mr S.

Unhappy with Nationwide's response, Mr S referred his complaint to our service.

Our Investigator looked into everything and, overall, didn't think that any intervention would have uncovered the scam due to how genuine it would have appeared at the time, and the level of checks Mr S conducted before deciding to invest.

Mr S disagreed and so the complaint was passed to me for 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.

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, and it simply reflects the informal nature of our service as a free alternative to the courts.

When 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 the evidence is incomplete or missing, I am required to make my findings based on the balance of probabilities. In other words, what I consider is most likely to have happened given the information available to me. Here, I can see there was a meeting in a branch and that while Nationwide's time stamped notes from the visit say that Mr S said the payment was being made in relation to a property purchase, Mr S maintains he wouldn't have said this and would have told them it was being made in relation to an investment.

As we aren't able to go back and listen to the conversation that took place, I must base my decision on what I have, which suggests the most likely reason given was for a property purchase, as that is what the note from the time says. However, the reason given for the payment doesn't change the outcome I have reached on this case, as I don't believe any further intervention from Nationwide, regardless of the reason given would have uncovered this scam. I will explain why in more detail below.

As a starting point in this case, Mr S doesn't dispute that the payment was made in line with his instruction to Nationwide to make it.

In broad terms, the starting position at law is that a bank such as Nationwide 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.

That means in the first instance Mr S is presumed liable for the payment. Nationwide would not ordinarily have any responsibility for a loss incurred through the payment – provided they carried out the instructions correctly. And here, there is nothing that leads me to believe they didn't do so.

I'm really sorry that Mr S has lost such a large sum of money, but this doesn't automatically entitle him to a refund from Nationwide. It would only be fair for me to tell Nationwide to reimburse Mr S if I thought they reasonably ought to have prevented the payment, or they unreasonably hindered recovery of the funds.

Prevention

Businesses have various and long-standing obligations to be on alert for fraud and scams and to act in their customers' best interests. So, a first consideration in determining Nationwide's obligations here would normally be: should they ought reasonably to have held any suspicions or concerns in relation to the payments, and if so, what might have been expected from a proportionate intervention.

In this case, I'm satisfied Mr S authorised the relevant payment, and as explained above, Nationwide would generally be expected to process payments a customer authorises it to make.

That said, as a matter of good industry practice, Nationwide should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual, uncharacteristic or suspicious transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect a business 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.

In this case, having considered the circumstances of the payment Mr S made, I agree that due to the amount, it was unusual compared to his previous account activity. But for me to find it reasonable that Nationwide should refund the payment requires more than me finding that they should have intervened. This is because legitimate payments can also be large, which doesn't always mean the money is being lost to fraud or a scam.

For me to ask Nationwide to refund the payment, I would need to be satisfied that not only did they fail to intervene, but that had they intervened, the loss would have been avoided.

So, as I have touched on above, I have thought about whether appropriate intervention or further questioning would likely have made a difference. Ultimately, I don't think any appropriate intervention by Nationwide would have made a difference or prevented the payment from being made here. I will explain why.

The investment wasn't one that Nationwide were recommending or endorsing. Their role was to make the payment that Mr S asked them to make, as he had already made the decision to invest, based on what he had been told and the research he had carried out before making the payment. And while there may now be concerns around who he invested with, I must consider what Nationwide could have established, had they spoken to Mr S about his payment at the time it was made. Ultimately, I don't think I can fairly say that Nationwide would have been able to give Mr S any information that would have led him to doubt what he already knew about the investment.

So, even if Mr S had been questioned by Nationwide about the payment, I don't think it would've highlighted anything that would've caused him any concern or led him to believe he was at risk.

On the face of it, I don't think the payments would have appeared fraudulent at the time to Nationwide. I will explain why in more detail below.

Mr S has confirmed the investment opportunity was introduced by his business partner, who he deemed to be a financial expert, and someone he had invested with before.

Mr S also met the scammer in person with his business partner, and asked him lots of questions about the investment, which was presented as a Medium-Term Trading investment (MTN), something Mr S had previous experience with. Mr S also asked the scammer for documentation which was provided. As Mr S has highlighted, the scammer came across as very knowledgeable and didn't pressure him to invest. This no doubt would have added to Mr S's belief in the genuineness of the investment.

In relation to the returns promised, I agree that being told he could achieve 50% and then 100% was unrealistic, but I don't doubt that this was something that attracted Mr S to the investment. Even though the returns promised were high, I don't think it was something that would have swayed the decision being made.

To explain, the rate of return will vary depending on the perceived risk. Riskier investments offer a higher yield to compensate the investor for taking on the risk of it failing. So a higher rate of return would be expected for a legitimate, albeit risky investment. But it is important to note that investment risk is not the same thing as something being at risk of fraud or a scam. Because of this, I don't consider the rate of return offered would have suggested the investment was fraudulent, but more it was reflecting a legitimate investment risk.

I also carried out a search to see what would have appeared regarding the scammer and the

business name, had a search been carried out at the time the payment was made, and I wasn't able to find anything to suggest it was a fraudulent investment company. I note that there are now concerns around the scammer, but I can only take into consideration what Mr S or Nationwide would have been able to find at the time the payment was made.

Because of this I am satisfied the investment wasn't something that would necessarily have indicated the company was fraudulent (or that the investment was a scam) at the time Mr S asked Nationwide to make the payment.

All things considered, I don't think it would've been readily apparent in August 2024 that the company might be fraudulent. I don't think Nationwide could have uncovered information that would have led to significant doubts at that point in time through a proportionate enquiry about the payment. Neither do I think that Mr S could have uncovered such information at the time – he was not at fault here. He carried out a lot of checks and has my sympathy as the scam was very sophisticated.

To summarise on all of the above, I can only reasonably expect any intervention or enquiries made by Nationwide to have been proportionate to the perceived level of risk of the company being fraudulent. I don't think that any intervention or enquiry in August 2024 would have made either Nationwide or Mr S question the legitimacy of the investment.

So having considered everything in detail, I'm not persuaded that Nationwide were at fault for carrying out the relevant payment instruction, or for not preventing Mr S from making the payment.

The Scam Checker Service

Mr S is unhappy that he wasn't told about the Scam Checker Service by Nationwide. Having reviewed the terms of this service, I can see that the service doesn't apply to SWIFT payments. I therefore don't find it unreasonable for Nationwide to have not mentioned this, as it doesn't apply to the circumstances of this payment.

Recovery

I've also looked at whether Nationwide took the correct steps once Mr S contacted them to dispute the payment.

I'm satisfied that Nationwide did what it could to recover the funds once they were aware of the scam as they've provided evidence of this.

Unfortunately the recovery attempt was unsuccessful, as is often the case with international payments.

I appreciate Mr S is unhappy that Nationwide told him they could freeze the payment, but following this said there was nothing they could do. Nationwide have acknowledged they could have provided a better service as it was too early to say what could be done. I agree that Nationwide should have waited until the fraud investigation had been completed, before saying anything to Mr S. However I don't believe this error had an impact that would warrant any compensation to be paid.

Having carefully considered everything overall, I don't find that Nationwide could have reasonably prevented the loss Mr S has incurred. In saying this, I don't underestimate the impact this has had on Mr S as he has lost such a significant amount of money and has experienced some difficult times. I am really sorry he fell victim to such a cruel and sophisticated scam. However, it is simply the case that I can't fairly and reasonably hold

Nationwide liable for his loss.

My final decision

My final decision is that I do not 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 11 December 2025.

Danielle Padden
Ombudsman