

The complaint

Mr C has complained Nationwide Building Society failed to sufficiently intervene causing him to fall victim to an authorised push payment (APP) scam.

I issued my provisional decision on 30 May 2025 not upholding this complaint. However, I wanted to give both sides a chance to provide any further evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. In summary, Mr C says he fell victim to an investment scam after the alleged scammers cold-called him and offered a good return on investing £5,000. Mr C says he realised it was a scam when the alleged scammers ceased all contact with him and he received no return.

Our Investigator did not uphold the complaint because they did not think there was enough evidence of a scam. However, Mr C disagreed with this and maintained his stance that Nationwide should have intervened. So, the complaint has been passed to me for a decision.

What I've provisionally decided – and why

I'm 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 focused 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'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.

I am sorry to learn of Mr C's loss of funds. However, it would only be fair for me to tell Nationwide to reimburse him for his loss (or a proportion of it) if: I thought Nationwide reasonably ought to have prevented all (or some of) the payments he made, or Nationwide hindered the recovery of the payments Mr C made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Nationwide treated Mr C fairly and reasonably in its dealings with him, when he made the payments and when he reported his concerns to it, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr C's complaint. I know this will come as a disappointment to him and so I want to explain why I've reached the decision I have.

In broad terms, the starting position at law is that building societies such as Nationwide are 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. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice

Nationwide should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Whether someone has been scammed or the matter is a civil dispute can be finely balanced. In this instance Mr C knowingly made the payments to the alleged scammers, so they are APPs. But for me to be satisfied someone has been the victim of an APP scam, I need evidence to show the customer has been dishonestly deceived about the purpose of the payments at the time they were made.

At the time of the transfers Mr C was under the belief it was, which it may well have been, a legitimate investment with a legitimate firm registered with Companies House. It seems this business had also been trading prior to Mr C's investment, with a floating charge recorded against it which suggests it most likely was a legitimate firm (even if it later was not). It appears Mr C was invited to go to their offices if he wanted to discuss the investment in person and was given documentation. Even the return he says he was promised is not to such a level where it would have seemed unusual, or too good to be true. I've no doubt this all added to Mr C's belief in the "opportunity". I've also not seen any warnings recorded against the firm at this time which would have flagged up to him, or Nationwide. Nationwide has also told us that the payment went to the company account of that registered company.

Although I am sorry to hear of the loss Mr C has suffered, based on the evidence I've seen, I'm not persuaded that he has been the victim of a scam. I say this because I've not seen enough to show the alleged scammers dishonestly deceived him about the purpose of the payments at the time they were made. Instead, it appears he invested and remained in contact with the firm to begin with.

However, for completeness I will add, even if I was persuaded this was a scam from the outset, on balance it is unlikely Nationwide could have prevented Mr C's losses. I say this because, even if it could be argued Nationwide ought to have intervened prior to the payment being made, I am satisfied Mr C's belief in the investment being genuine would have impacted how he would have responded to Nationwide. I think Mr C would have answered openly and honestly, but ultimately the wider circumstances here are not typical of a scam and so his answers would have alleviated any concerns of Nationwide. I'm persuaded his responses would have portrayed to Nationwide the company was providing legitimate services (at least at the time of Mr C wanting to invest). I have also noted that Mr C was supplied with a general scam warning before making this payment, but he chose to proceed. This was no doubt because he did believe this to be a genuine investment opportunity with a registered company.

The repercussions this situation has had on Mr C is not something I have overlooked when reaching my decision. However, I have not seen a pattern emerge that would have highlighted to Nationwide that Mr C was potentially falling victim to a scam. It's also important to note that it is not for a building society in this situation to offer investment advice.

Therefore, I am not persuaded Nationwide could have prevented Mr C's losses occurring.

The Contingent Reimbursement Model Code (CRM)

Under the Contingent Reimbursement Model Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code is quite explicit that it doesn't apply to all push payments, such as private civil disputes. So, the CRM Code isn't a general protection for consumers. Instead, it only applies in very specific circumstances – where the customer has

been the victim of a scam. As I am not persuaded that Mr C has fallen victim to a scam, the CRM Code does not apply here.

Recovery

I've thought about whether there's anything further Nationwide could have done to help Mr C. However, it seems after making the payment Mr C did not raise this with Nationwide for some time. Therefore, it's unlikely, especially considering the firm appears to have ceased filing accounts and trading at some point around 2021, that there would have been any funds for them to attempt to recover. It's also important to highlight that if this was a scam, firms generally move the funds out of an account shortly after receiving them to avoid them being recovered.

Therefore, I won't be asking Nationwide Building Society to do anything further.

What I've decided – my final decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As neither party responded to my provisional decision I see no reason to depart from what I decided. Therefore, I remain of the same opinion as before that this complaint should not be upheld.

My final decision

For the reasons I've explained, I do not uphold this complaint about Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 July 2025.

Lawrence Keath
Ombudsman