

## **The complaint**

Mr S and Ms B complain that Nationwide Building Society won't refund money they said Mr S lost to a scam.

A firm represents Mr S and Ms B, but for ease I have referred to Mr S and Ms B in this decision.

## **What happened**

Mr S said between January 2022 and September 2022 he made several payments to a sum of £179,500 towards what he thought was a genuine cryptocurrency investment opportunity.

Mr S said he came across an advertisement for the investment opportunity on an online video sharing platform. Mr S said he was contacted by someone claiming to be an accounts manager working for the investment firm. After discussions Mr S made the decision to invest. He said he later attempted to withdraw funds from the investment and he was told the account was under investigation by the regulators, he was also asked to make further payments before he could make a withdrawal.

Mr S received £23,002.37 but he said he was asked to make further payments before he could make any further withdrawals. After complying with their requests, he was still unable to withdraw his funds and it was at this point Mr S realised he had fallen victim to a scam. Mr S complained to Nationwide, but it didn't uphold his complaint.

Our investigator also didn't think the complaint should be upheld. She said Nationwide's intervention was proportionate and it provided clear warnings. Our investigator didn't think they could have done anything more to prevent the loss.

Mr S didn't accept the investigator's view, his representative says that although Mr S was not forthcoming in his responses when questioned by staff, there were enough red flags to understand that a scam was occurring. They think the banking protocol would have prevented the scam.

As an agreement could not be reached, the complaint has 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.

In broad terms, the starting position in law is that Nationwide is expected to process payments and withdrawals that a customer authorises it to make. There is no dispute that the payments were authorised by Mr S, in accordance with the Payment Services Regulations and the terms and conditions of the account, he is therefore responsible for the loss.

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Nationwide should have looked at the wider

circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

Nationwide intervened before processing the first payment Mr S made and he was required to discuss it with a member of staff. When asked, Mr S said he had invested in cryptocurrency before, he confirmed that he had not been contacted by anyone claiming to be a broker or financial advisor. He also did not tell agents that he had allowed the scammer remote access to his device.

Nationwide intervened in two other payments and Mr S again reassured the agents that he was not being guided by a third party. When asked where he found out about the investment opportunity Mr S was not forthcoming with his answers. Mr S also told agents that he was a financial advisor, and he had researched the investment.

I find the questions asked by the agents proportionate to the risk the payments posed, but unfortunately Mr S gave misleading answers. Where it was provided with inaccurate information, I think Nationwide was prevented an opportunity to uncover the scam. And I don't think the answers Mr S gave would have raised suspicions or caused Nationwide to probe him further. Having listened to the phone calls, I find Mr S appeared knowledgeable in cryptocurrency investments. During the third intervention Mr S gave details of the type of research he said he conducted. Furthermore by telling the agents he was a financial advisor I think this served to further alleviate any concerns they may have had.

Even if Nationwide had intervened in other payments, I'm not persuaded its intervention would have been effective and prevented the loss Mr S incurred. Nationwide gave warnings which he did not take heed of, including that a third party telling him where to invest would likely be a scam. Mr S made other payments towards the scam from his external bank accounts, one of which is with a bank I'll refer to as B. I note that prior to the first payment he made from Nationwide, B had already warned Mr S that the investment may be a scam. So I find Mr S was on notice and opted to proceed with the investment. I also note that Mr S was uncooperative with B when it tried to intervene. It's clear to me that Mr S was under the spell of the scammer and had come to trust them. So it follows that I am not persuaded that Mr S would have heeded further warnings from Nationwide or been forthcoming with information had it intervened in the latter payments.

Mr S suggests that Nationwide should have initiated banking protocol, but I don't agree as I think Mr S was able to alleviate its concerns. Even if it did as he suggested, I think it's likely that Mr S would have found alternative means of making the payments. For instance I note Mr S opened a new account with another bank in August 2022 and made several payments towards the scam from this account.

I've thought carefully about everything that's happened here. I understand that Mr S has been the victim of a cruel scam and that the losses incurred are not insignificant. But in this case, I cannot fairly or reasonably hold Nationwide responsible for the loss to Mr S and Ms B.

### **My final decision**

For the reasons I have outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr S to accept or reject my decision before 28 July 2025.

Oluwatobi Balogun  
**Ombudsman**