

## The complaint

Mr P complains that Nationwide Building Society won't fully reimburse the money he lost as the result of a scam.

Mr P has been represented in his complaint by a firm of solicitors.

## What happened

The background to the scam is well known to both parties, so I'll simply summarise it here. Briefly, Mr P saw an advert on a social media platform for an investment opportunity. The advert appeared to be endorsed by a well-known celebrity. Mr P says he found positive reviews of the investment company (which I'll refer to as "V") online and decided to invest. Having filled in an enquiry form, he was contacted by an adviser from V. Unfortunately the apparent investment ultimately turned out to be a scam, and I'll refer to the adviser as "the scammer" in this decision, although I appreciate that Mr P didn't realise that's who he was dealing with at the time.

Mr P says the scammer's website looked very professional, with all the features you'd expect from a genuine website. It also had graphs and live trackers. And he says the scammer himself was very professional and convincing. He showed Mr P how to use the investment platform and guided him through how to deposit and withdraw funds and open and close trades. Mr P spoke to the scammer frequently on the phone and Zoom, and he says he built a strong rapport with him.

On the scammer's instruction, Mr P set up an account on the scammer's fake investment platform and opened a cryptocurrency account with a cryptocurrency provider, which I'll refer to as "T". Mr P made payments from his Nationwide account to his cryptocurrency account, then transferred cryptocurrency on to the scammer.

At first, Mr P's investment seemed to be making a healthy profit. But his profits suddenly appeared to drop dramatically. The scammer claimed that the platform had crashed, and that had led to the loss. But he said that if Mr P paid in a further £7,000, he should be able to recoup his loss. It was at that point that Mr P realised he'd fallen victim to a scam.

Mr P made the following payments in connection with the scam from his Nationwide account. The first payment was made by debit card to a third-party account. All other payments were to Mr P's account at T, and were made by faster payment.

|   | Date           | Amount |
|---|----------------|--------|
| 1 | 9 August 2024  | £250   |
| 2 | 14 August 2024 | £30    |
| 3 | 20 August 2024 | £50    |
| 4 | 27 August 2024 | £250   |

|    |                   |                |
|----|-------------------|----------------|
| 5  | 29 August 2024    | £500           |
| 6  | 30 August 2024    | £500           |
| 7  | 31 August 2024    | £500           |
| 8  | 1 September 2024  | £500           |
| 9  | 2 September 2024  | £500           |
| 10 | 19 September 2024 | £2,000         |
| 11 | 20 September 2024 | £1,000         |
| 12 | 21 September 2024 | £1,000         |
| 13 | 23 September 2024 | £1,000         |
| 14 | 23 September 2024 | £1,000         |
| 15 | 24 September 2024 | £1,000         |
| 16 | 25 September 2024 | £1,500         |
| 17 | 26 September 2024 | £1,500         |
| 18 | 9 October 2024    | £1,000         |
| 19 | 10 October 2024   | £1,500         |
| 20 | 11 October 2024   | £1,500         |
| 21 | 12 October 2024   | £1,500         |
| 22 | 14 October 2024   | £1,500         |
| 23 | 14 October 2024   | £1,500         |
| 24 | 15 October 2024   | £2,000         |
| 25 | 17 October 2024   | £1,500         |
| 26 | 18 October 2024   | £500           |
| 27 | 21 October 2024   | £2,000         |
|    |                   | <b>£27,580</b> |

Nationwide says that when Mr P set up T as a payee on his account and selected the purpose of the payment as “investment”, it displayed an on-screen warning that criminals pretend to work for investment companies and will suggest investment opportunities that don’t exist. It suggested that Mr P check the company was on the Financial Conduct Authority’s register, and said that if it wasn’t, the investment was more risky and Mr P should do extra checks, and should use the details on the register to contact the company and check that the sort code and account number were correct.

In December 2024 payment 1 was refunded by the merchant. Mr P was also able to make withdrawals from his investment, totalling £534.07, further reducing his loss

Nationwide said, in summary, that it wouldn’t have considered the first ten payments to be unusual activity for Mr P’s account. But it accepted that it could have contacted Mr P when he made payment 11 on 20 September 2024. However, it only refunded 50% of the payments Mr P made from that date onwards. This was, in brief, because it thought that Mr P could reasonably have been expected to carry out more research before he started investing.

One of our investigators considered the complaint and thought it should be upheld. She agreed that Nationwide hadn't done anything wrong by not intervening when Mr P made the first ten payments. But she didn't think it was fair, in this case, to apply a deduction for contributory negligence. So she said Nationwide should refund the remaining 50% of payments 11 to 27 and pay interest on the refund.

Mr P accepted the investigator's view, but Nationwide disagreed, so the complaint has been passed to me for a final decision.

### **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.

Nationwide accepts that it could have prevented Mr P's loss from payment 11 onwards, and Mr P accepted the investigator's view that only those payments should be upheld. So the only question that remains in contention is whether it would be fair, as Nationwide has argued it would, to hold Mr P partly responsible for his loss, and to reduce the compensation accordingly to reflect contributory negligence on his part.

There's been considerable debate between our investigator and Nationwide about the question of contributory negligence. But having thought carefully about everything that's been said, I don't consider that it would be fair to reduce the compensation for contributory negligence in the circumstances of this particular case.

In considering whether a deduction should be made, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all the circumstances of this complaint.

Mr P says he trusted the advert for V because the social media platform in question was trusted and the celebrity who apparently endorsed the company was a well-known financial expert.

Nationwide, on the other hand, says a simple google search would have shown that the celebrity who supposedly endorsed the advert Mr P saw doesn't endorse cryptocurrency scams. It's pointed out that he's said very publicly that his face is regularly used for scams, and that adverts showing him shouldn't be trusted. It's suggested that the fact that Mr P recognised the celebrity implies that he had some knowledge of him, and the apparent endorsement would have been easily identifiable as a warning sign if Mr P was aware of the celebrity's stance on endorsements.

But I think it would have been understandable if Mr P assumed that an advert on the social media platform would have gone through some level of vetting, and the more so, given the apparent endorsement by a well-known financial expert.

I don't accept that the fact that Mr P had heard of the celebrity implies that he would have known, or ought to have known, his stance on endorsements. I don't dispute that the celebrity is well known. But I suspect there are plenty of people who are familiar with his name and know of him as a widely trusted financial expert, who would have no idea about his stance on endorsements.

I accept there was information available online about celebrity endorsements being related to scams. But it's important here to keep in mind that Mr P thought the endorsement was genuine. And without being alerted to the fact that an apparent endorsement can be an indicator of a scam, there'd have been no obvious reason for him to doubt the authenticity of

what he saw, or to look further into it.

Mr P says he searched for V on a well-known review website and saw lots of good reviews. He says this reassured him that he was dealing with a genuine company. He also carried out checks on his individual contact at V, and found a positive article on a well-established global business media platform, where he was referred to as a senior investment specialist at V.

Nationwide accepts that there were some good reviews, but says that even before Mr P started investing, there were two negative reviews, which it says clearly stated that there was a scam concern surrounding V. It says that given that the website showed seven good reviews, and two bad ones when Mr P started investing, a significant proportion of the reviews were poor.

Nationwide also says there are only three reviews on V's social media page. It says all are negative and all were there when Mr P started investing. And it's referred to a warning by the FCA about V, which it says was posted around a month before Mr P started investing.

I've thought carefully about what Nationwide has said. But I don't accept that Mr P ought to have realised from the reviews he saw before he started investing that V was a scam. It's true that the first of the two shown at the time expresses the view, in fairly strong terms, that either the "expert" adviser is very poor at their job or the company is a scam. The second one simply expresses general dissatisfaction. Nationwide has provided a screenshot of a third review, which does clearly express the view that V was a scam. But that wasn't posted until after Mr P started investing. By that stage, I don't think there was any particular reason for him to be looking at reviews in the absence of a clear reason to doubt that the investment was genuine. And given the sophistication of the scam, I don't think there was any such cause for doubt.

I accept that, as Nationwide has suggested, it's common for fake good reviews to be posted. But genuine good reviews are also commonplace. And I think it's fair to say that people are often more motivated to leave reviews when they're dissatisfied. There were only two poor reviews at the time. There are many reasons why a legitimate company might receive negative reviews. Both of the negative reviews, in my view, simply expressed frustration and dissatisfaction with V. So I don't think that either the content of the two poor reviews, or the balance between good reviews and poor reviews on the review site should have been an indicator to Mr P that V was likely to be a scam.

The FCA warning that Nationwide has referred to wasn't published until November 2024. That's after Mr P made the final payment to the scam. And I can't see any other warning that he should have been aware of. Likewise, the reviews on V's social media page to which Nationwide has referred were published after Mr P started investing. And I don't think it would have been unreasonable of Mr P not to check V's social media page in any event, given that he'd looked at reviews on an established review site, had checked V's website to his satisfaction and his search for information about V's adviser had returned reassuring results.

All in all, I think the research Mr P carried out was enough to satisfy a reasonable person that he was dealing with a legitimate investment company and speaking to an expert in their field.

Mr P says V's website was professional and detailed. It had the usual features of a legitimate professional website, and he could see live trades and his balance. He says the scammer was knowledgeable and communicative, and used sophisticated technical language. He says the scammer painted a picture of himself as successful and wealthy. And speaking to

the same person over an extended period built trust.

Mr P was in frequent contact with the scammer by phone and zoom, so he was able to gauge his demeanour. The emails the scammer sent Mr P were well laid out. I don't think there were any obvious telltale signs that V or the scammer was anything other than genuine. Like the investigator, I can understand how a reasonable lay person would have considered the platform legitimate.

I acknowledge that Nationwide says a good rapport with the scammer shouldn't have stopped C from conducting independent research, especially given how much he invested. But as I've said above, Mr P did carry out independent research, and I think it was reasonable of him to consider what he found to be reassuring.

Overall, I'm satisfied that the scammer's demeanour, knowledge and professional website and communications were enough to satisfy a reasonable person that the investment was legitimate. And all the more so in the case of an investor like Mr P, who had no previous trading experience and hadn't been warned about this specific type of scam.

Nationwide says Mr P was given unrealistic return rates. Mr P's representatives originally told us that he was led to believe that he could expect a return of 10-12%. They've more recently said that he wasn't given any particular figure. But while a return of 10-12% is higher than Mr P would have been likely to achieve with, say, a standard savings account at the time, I don't think it was so high that it was too good to be true. What's more, there was a lot of publicity at the time about people making large amounts of money by trading in cryptocurrency. Mr P was able to access a sophisticated and professional-looking trading platform, where he could monitor his investments and from which he was initially able to make withdrawals. So overall, I don't think it was unreasonable for Mr P to have believed what he was told by the broker in terms of the returns he was told were possible.

I know that Nationwide feels strongly that the compensation ought to be reduced to reflect contributory negligence on Mr P's part. I acknowledge that it's finely balanced in this case, but for the reasons set out, I don't agree. This was a highly sophisticated and well-orchestrated scam. Mr P's representatives have suggested that the fact that he was in his 70s and suffering from health problems which sometimes rendered him housebound means that he should be considered vulnerable. But I haven't considered this issue as, even putting to the side questions of potential vulnerability, I'm not persuaded that it would be fair to say that Mr P was contributorily negligent in this case.

### **Putting things right**

Payment 1 was refunded by the merchant. As payment 1 isn't among those that Nationwide has agreed to reimburse, the refund of payment 1 isn't relevant to the compensation. However, Mr P received a total of £534.07 in withdrawals from his investment. The investigator has explained to Mr P's representatives that this will need to be taken into account when calculating compensation.

Given that Mr P was the victim of a scam, and his investment was, unfortunately, not genuine, I don't consider that the returns he received should be attributed to any specific payment or payments. Instead, in circumstances like this, our general approach is to apportion the returns pro rata across all payments made to the scam. This ensures that the credits are fairly distributed between Mr P and Nationwide.

Ignoring payment 1, Mr P paid £27,330 to the scam. His returns of £534.07 represent 1.95%\* of his total investment. It follows that the outstanding loss from each payment from payment 11 onwards should be reduced by the same percentage.

So in all, Nationwide should refund 98.05% £22,500, being the total of payments 11 to 27. That amounts to £22,060.31. Nationwide has already refunded £11,250. So the difference is £10,810.32, which Nationwide should refund to Mr P.

\*For ease of reading, I've rounded the relevant percentage down to two decimal places. But Nationwide should perform the calculation I've set out above to arrive at a more precise figure, as I've done.

So to put things right, in addition to the £11,250 it's already refunded, Nationwide should:

- Refund £10,810.32 to Mr P; and
- Pay simple interest at 8% per year on the refund from the dates on which the payments were made.

If Nationwide deducts tax from the interest, it should give Mr P a tax deduction certificate, so that he can reclaim the tax from HMRC if appropriate.

### **My final decision**

My decision is that I uphold this complaint. I require Nationwide Building Society to put things right by doing as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 October 2025.

Juliet Collins  
**Ombudsman**