

## **The complaint**

Mr R complains that Nationwide Building Society (Nationwide) won't refund the money he lost when he fell victim to an investment scam.

## **What happened**

Mr R submitted two complaints to our service which are linked. I will refer to this complaint as Complaint A.

A summary of the other linked complaint (Complaint B), for background information, which has had a determination by another ombudsman who didn't uphold it, is:

### Complaint B

Mr R said:

- The scammers – the same as in Complaint A – used him as a money mule.
- They sent him two payments totalling £20,000, which he thought were his profits.
- They forced him to pay an unknown person. Also, not to be truthful to Nationwide when they asked him to explain his actions.
- They used his computer and email address to send Nationwide false correspondence.
- Nationwide queried the transactions, subsequently closed his account without notice and placed a Credit Industry Fraud Avoidance System ('CIFAS' - the UK's fraud alert service) marker against his name.
- He is a victim of fraud rather than a participant in it.
- He considers Nationwide's decision to be unfair.

### Complaint A

Mr R said:

- He had previously been a victim of a scam and lost lots of money.
- He took an unexpected call from X (one of the scammers), who said he was a broker for Company I (the scam company). X told him he could see the money Mr R had previously lost in a scam and he could, for a fee, release his funds.
- X and / or his accomplices then discussed a release fee through crypto payments.
- X may also have discussed crypto investments to make a profit.
- X provided him with his credentials, convinced him he was legitimate and persuaded him to open an account with Company W (a digital payment platform) so payment could be made (in crypto) to an unknown account(s).
- X told him there were rules to follow. This included not discussing matters with Nationwide.

- X and / or other scammers persuaded Mr R to:
  - Transfer funds from his Nationwide account to Company W.
  - Download remote desktop software onto his laptop so they could take remote access to make crypto transfers from his Company W account to the destination account(s).
- Mr R logged onto his Company W account, and he allowed X and / or his accomplices to make payments for the following amounts that Mr R had transferred to Company W from his Nationwide account:

No.	Date	Payment type	Payee	Amount
1	11/07/2023	Transfer from Mr R's Nationwide account	Mr R's account with Company W	£5,000
2	11/07/2023	Transfer from Mr R's Nationwide account	Mr R's account with Company W	£4,792
3	12/07/2023	Transfer from Mr R's Nationwide account	Mr R's account with Company W	£9,700
4	13/07/2023	Transfer from Mr R's Nationwide account	Mr R's account with Company W	£10,000
5	13/07/2023	Transfer from Mr R's Nationwide account	Mr R's account with Company W	£2,500
6	17/07/2023	Transfer from Mr R's Nationwide account	Mr R's account with Company W	£10,000
7	28/07/2023	Transfer from Mr R's Nationwide account	Mr R's account with Company W	£4,431
8	31/07/2023	Transfer from Mr R's Nationwide account	Mr R's account with Company W	£10,000
9	31/07/2023	Transfer from Mr R's Nationwide account	Mr R's account with Company W	£1,100

In August 2023, Mr R received a £20,000 payment from the scammers. He says he believed this to be profits. Mr R says he was told to pay this from his Nationwide account to an unknown person and, when he queried why he was paying his profits to another person, he was told that if he didn't follow the rules he would lose all his money.

As mentioned in the above Complaint B summary, Nationwide queried the £20,000 transactions and subsequently closed Mr R's account. Mr R says that, after Nationwide's action, he didn't hear any more from X and / or his accomplices. And this is when he realised he had been scammed.

Mr R then lodged a complaint with Nationwide seeking a refund of his loss.

Nationwide declined a refund. But they offered Mr R £100 compensation for delays in looking into the matter.

Mr R brought his complaint to our service. Although our investigator considered that Nationwide should've intervened on payment number 2 (see above table), she wasn't persuaded that a Nationwide intervention would've prevented his losses. She also considered the £100 compensation payment to have been reasonable.

As Mr R remains dissatisfied his complaint has been referred to me to look at.

### **Provisional decision**

I issued a provisional decision on 12 June 2025 and this is what I said:

*I've considered the relevant information about this complaint.*

*My provisional decision is the same outcome as reached by our investigator; however, as Mr R's submissions lack clarity and I can't see any specific response to our investigator's points and view, I'd like to give both parties a further opportunity to respond.*

*The deadline for both parties to provide any further comments or evidence for me to consider is 26 June 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.*

*If I don't hear from Mr R, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.*

### ***What I've provisionally 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.*

*Having done so, although I'm very sorry to hear that Mr R has lost a significant amount of money and had his business and reputation damaged, I'm not upholding his complaint. And I'll explain why.*

*My role is to independently evaluate the evidence provided by both parties. So, where evidence is incomplete, inconsistent or contradictory, as some of it is here, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.*

*Currently my key finding in this case is that there is insufficient evidence that Mr R has fallen victim to a scam – and therefore should be refunded. For my decision on this case to change, I would first need to be persuaded that a scam has occurred here.*

*I'm currently not persuaded as:*

- *Mr R hasn't been able to provide any dialogue or correspondence that he had with the scammer(s) so:*
  - *It is difficult to fully understand the scammers' communications and instructions and what fully occurred here. Also, how many scammers there were.*
  - *I can't see the scammers' payment instructions to Mr R and where the scammers sent his funds.*
- *The documents Mr R has submitted lack clarity:*
  - *There is neither context or an audit trail to show when and where they came from. And for those documents, which the scammers appear to have used to persuade Mr R that his money was awaiting a return (for a fee), they are dated 14 August 2023 and 17 August 2023 which are later dates than those of Mr R's payments (see above table).*
  - *I can't see how the video provided illustrates that the scammers took control of his laptop.*
- *There are some apparent inconsistencies around the scammers:*

- Mr R indicates the scammer sent the email (pertaining to Complaint B) to Nationwide from his email account. But he also says the scammer asked him to send it.

*Although I don't currently think the evidence is sufficient to establish that Mr R has been the victim of a scam, for completeness, I've considered the following.*

#### CRM Code

*Although Nationwide is a signatory of the Lending Standards Board's Contingent Reimbursement Model (CRM) Code which requires firms to reimburse customers who have been the victim of a scam in most circumstances, I'm satisfied this code doesn't apply here. This is because:*

- *The CRM Code sets out the following:*
- *Under 'DS1(2) (a)' the scope of what the CRM Code covers in relation to authorised push payment ("APP") fraud in instances where: "(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent."*
- *The payments Mr R made from his Nationwide account went to an account in his own name. So, it isn't covered by or within the scope of the CRM Code. This is because Mr R wasn't paying 'another person'.*

#### Payment Services Regulations 2017 (PSR)

*Under the Payment Services Regulations 2017 (PSR) and in accordance with general banking terms and conditions, firms should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr R made the payments here, so they are considered authorised.*

*However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.*

*Firms do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.*

*I consider Nationwide should fairly and reasonably:*

- *Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- *Have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.*
- *In some circumstances, irrespective of the payment channel used, have taken*

*additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

### Consumer Duty

*Also, from 31 July 2023 Nationwide had to comply with the Financial Conduct Authority's "Consumer Duty" which required financial services firms to act to deliver good outcomes for their customers. Nationwide should (for two transactions) have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.*

*Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Nationwide was required act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud.*

*Should Nationwide have recognised that there was a risk of financial harm from fraud and put in place an intervention?*

*I wouldn't have expected Nationwide to have intervened on the first payment for £5,000 on 11 July 2023. This is because:*

- *Mr R's payments went to an account in his name, and under his control, with Company W.*
- *Company W is a regulated firm offering a digital payment platform where users can buy, store, exchange, and spend both cryptocurrencies and traditional currencies.*
- *Nationwide commented that:*
  - *'The first two payments did not alert however I would not have expected these too, this is due to the fact the customer regularly made high value payments around the value of £5000 and sometimes more for example on 12th April the member sent £5550.00 to Company D and, on the 1st June 2023 the customer made a payment of £6500.00 to a payee in the name of F and on 4th July the customer made a purchase for £7392.00'.*

*However, Mr R hadn't previously made any payments to Company W. So, I would've expected Nationwide to have given Mr R automated scam warnings when he made a second payment for £4,792 on the same day.*

*Considering payment number three for £9,700 was large, did 'alert' on Nationwide's systems and was the third payment Mr R made to Company W in two days totalling £19,492, I would've expected this to have triggered a human intervention call.*

*I can't see that Nationwide have explained why they released payment number three (or any of the later payments) without an intervention when it 'alerted'.*

*Although Nationwide say Mr R's account was 'very active and regularly involving high value payments and movement between his own accounts, as the payee name was his own and the funds were going to his own account of which the customer has confirmed he had full control', when considering the above I think Nationwide should've still recognised a risk here – as three payments totalling nearly £20,000 in less than two days to a new payee is unusual, and was out of character for Mr R.*

*So, for the above reasons, I think they should've given Mr R scam warnings at payment number two and put in place a human intervention from payment number three.*

*What kind of warnings and intervention should Nationwide have provided, and would that have prevented the losses Mr R suffered*

*Even though their system appears to have alerted them to a risk of a possible scam, I can't see that Nationwide gave any warnings or spoke with Mr R to establish the underlying circumstances of the payments before processing them. And if a firm doesn't question payments that might pose a risk of financial harm to a customer, then it can't fulfil its duty to protect customers.*

*I've considered causation. Put simply, whether Nationwide's failure to warn and intervene caused Mr R's losses. To do this, I reflected on whether any such interventions would've made any difference.*

*I considered what would've likely happened if:*

*A. At payment number two, Mr R had been presented with the following questions and information:*

- What was the purpose of the transaction?*
- Did he know the payee?*
- Based on the above answers, provided with tailored scam warnings*

*B. At payment number three, Mr R had spoken to a Santander fraud and scam agent who would've asked him the questions in A above and then probed his answers further. For example, if he said he was making an investment asked the following type of questions:*

- How he came across this investment?*
- What type of investment was it?*
- What checks had he completed?*
- What were the expected rates of return?*

*On balance, I don't think such interventions would've either broken the spell of the scammer or uncovered a scam. I say this as, for the following reasons, I don't think Mr R would've either taken note of the warnings or been truthful with Nationwide:*

- In various telephone conversations Mr R talks about how:*
  - He was aware of scams, having unfortunately fallen for a scam or scams before and had since received and dismissed many cold calls about money recovery schemes and investments as he thought they were likely to be scam calls.*
  - He was convinced that he was going to get his money back and / or make a profit.*
  - He felt threatened and / or harassed by the scammer(s).*
  - The scammers had rules in place. These appear to be about not sharing any information with Nationwide about the crypto return or investment Mr R was undertaking with X and Company I. So, speaking about this, would jeopardise the payments he had made and he wanted his money back.*
- In Complaint B, even when Nationwide confronted Mr R over a serious matter around the £20,000 transactions, he decided not to be truthful. This includes*

*sending or allowing a false explanation letter to go out in his name and from his email account. Also, maintaining this false account when questioned.*

### Recovery

*I considered if Nationwide should've done more to help recover Mr R's funds and I'm satisfied they did all they could. I say this because Nationwide contacted Company W as soon as they were notified of the scam. But because the funds from Mr R's Company W account had already been withdrawn in cryptocurrency, unfortunately it wasn't possible for them to recover his funds.*

### Service Issue

*Nationwide acknowledge there were delays in investigating the scam claim. But while I understand this would've impacted Mr R, I think the offer of £100 to be reasonable.*

### **My provisional decision**

*My provisional decision is not to uphold this complaint against Nationwide Building Society.*

*This is subject to any comments that either Nationwide Building Society or Mr R may wish to make.*

*These must be received by 26 June 2025.*

### **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.

Further to my provisional decision, both parties responded before the 26 June 2025 deadline.

Nationwide said they had nothing further to add.

Mr R called on 12 June 2025 to express dissatisfaction. A file note says he was informed that he had until 26 June 2025 to respond to the provisional decision and make any final points or submit additional information.

On 13 June 2025, Mr R responded in writing:

- Expressing deep dissatisfaction with the way Nationwide has handled this matter so far.
- Saying *'I strongly object to the decision made by your team, and I am not satisfied with the £100 that was sent to me as compensation. I have already returned this amount, as it does not reflect the losses I incurred or the seriousness of the situation'*.
- Commenting that he had lost a lot of money and that he had previously submitted full documentation regarding the fraudulent transactions, including written reports, physical evidence, and records of phone conversations.
- Asking Nationwide to:
  - *'Investigate these third parties properly and pursue all possible avenues to recover my funds from them.*
  - *Conduct a full, final investigation using all the information I have provided.*

- *Recover and return the full amount of money lost due to this fraud.*
- *Remove my name from CIFAS or any blacklist immediately.*
- *Provide a formal response to this letter and a resolution without delay'.*
- Restating that he was a victim of a scam and not a fraudster and *'It is extremely unfair and unacceptable for me to be left bearing the consequences of this fraud, while the actual scammers go unpunished'.*
- Demanding that his name be urgently removed from any negative financial databases such as CIFAS.
- Saying *'If this matter is not resolved urgently, I will have no option but to escalate it further through financial ombudsman services and any other legal avenues available to me. I expect a prompt and just resolution to this issue'.*

I'm sorry to hear about Mr R's dissatisfaction with my provisional decision. Also, that he has lost a significant amount of money and had his business and reputation damaged

I should first say that Nationwide considered this complaint and issued a final response letter. Our service became involved because Mr R was dissatisfied with Nationwide's investigation and outcome. So, our service and my role is to independently evaluate the evidence provided by both parties and make a final decision.

My decision is the final stage of our process and if Mr R is dissatisfied with my decision he doesn't have to accept it. Our service is an alternative way of resolving a dispute with a financial business and if Mr R rejects the decision, it is his prerogative to consider taking legal action against Nationwide.

Whilst I recognise Mr R has made submissions to our service, and I've looked closely at all of them, the reason I issued a provisional decision is that I found Mr R's submissions lacked clarity. Also, I considered that there were some inconsistencies, and I couldn't see any specific response to our investigator's points and view.

In addition, my key finding in this case is that there is insufficient evidence that Mr R has fallen victim to a scam. So, for my decision to change, I would need to be persuaded that a scam has occurred here.

So, from a fairness perspective, I decided to give both parties a final opportunity to respond to any of the points I made in my provisional decision and / or submit further evidence for me to consider.

Regarding Mr R's dissatisfaction over Nationwide's CIFAS action, as detailed in my provisional decision, our service has considered that matter as a separate complaint (complaint B) and another ombudsman has issued a final decision. And I note this has been rejected by Mr R.

Regarding the £100 payment Nationwide made in response to this complaint, whilst I understand this is a very small amount when considering the claim Mr R has made, for the reasons mentioned in my provisional decision, I don't think this was unreasonable.

Regarding this complaint, as Mr R hasn't responded to any of the points in my provisional decision or produced any new information or evidence, my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

### **My final decision**

My final decision is that I'm not upholding this complaint against Nationwide Building Society.



Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 July 2025.

Paul Douglas  
**Ombudsman**