

The complaint

Mr H complains that Nationwide Building Society won't provide him with a refund when he suffered a financial loss after making a payment following a threat of violence.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

On Sunday 23 March 2025, Mr H received a threatening call from Person J (a male) followed by messages. Person J demanded an immediate payment of £800 saying this was because Mr H had taken up the time of one of his escorts that caused her to decline other clients and cost him thousands of pounds. He threatened violence against Mr H and his family if he didn't pay.

Mr H explains that he was worried and he tried to phone Nationwide to get some advice but couldn't get through to anyone. After finding the money, Mr H made a faster payment of £800 from his Nationwide account to an account name / number provided by Person J.

Mr H says he realised it was a scam when he was told he needed to pay another £800 payment due to an odd reason (the credited account having been locked) and he then contacted the police.

Mr H called Nationwide to see if he could get a refund of the payment but after an investigation, they said this wasn't possible as it was a case of extortion and not a scam.

As Mr H disagrees, he brought his complaint to our service. But our investigator considered him to be the victim of this crime and couldn't see that Nationwide's decision to reject his claim was unfair or unreasonable. But Mr H remains dissatisfied and when asking for an Ombudsman to make a final decision, his points included the following:

- He believes the mandatory reimbursement requirements introduced from October 2024 applies here.
- *'The fact that this was initially considered "extortion" does not place it outside the scope of APP scam reimbursement. It simply means the payment was made under duress, which is a recognised form of scam.'*
- *'The police have now confirmed that my number was included in a mass text/call incident resulting from compromised data. This was not a targeted extortion attempt, but a common APP scam tactic. This update is relevant because it further aligns the case with the typical APP scam scenario covered by the reimbursement rules.'*
- *'The report also confirms that this type of offence commonly involves bulk messages sent to multiple individuals using leaked or obtained personal data, with the intention of creating fear so that victims make payment even though they have done nothing wrong. The officer notes that offenders often send the same message to large numbers of people using details taken from data breaches or marketing lists, and that the threats are designed to appear credible.'*

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.

Having done so, my decision is not to uphold this complaint, and I'll explain why.

I should first say that:

- I'm very sorry that Mr H has been the victim of a crime.
- Although I've read and considered everything Mr H has said, I won't be responding to every point. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.
- In making my findings, I must consider the evidence that is available to me and where information 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.

Generally speaking, as set out in the relevant legislation (the Payment Service Regulations (2017) and account terms and conditions, Mr H is responsible for any payments he makes from his account which he authorises.

However, there are times that an account provider like Nationwide might become responsible for reimbursing transactions that are made as a result of a scam. This would be through the APP Scam Reimbursement Rules (introduced by the Payment Systems Regulator on 7 October 2024), for customers who have fallen victim to an APP scam or through a consideration of best practice and industry guidance relating to account monitoring for fraud prevention. However, for such responsibility to be assigned, it would first need to be established that a scam has taken place.

Mr H makes an argument that APP scams can involve threats and the disputed payment was a result of a mass text and typical APP scam scenario. However, having reviewed all the available information, I'm not persuaded this is an APP scam and, although I empathise with Mr H's financial loss and the significant distress he experienced, I agree with our investigator and Nationwide that he has been the victim of a criminal act of extortion. I say this because:

- Generally, a scam involves some form of deception, wherein a person is deceived into making payments to a recipient that they believe is genuine, only to later discover that they've been tricked and that this wasn't the case. And here Person J was obtaining money through threats of violence which Mr H believed.
- When Mr H first contacted Nationwide and was asked to explain what had happened, after a very long pause, he initially said the following:
 - A. 'Basically, she tried to extort me for money'.
 - B. 'I figured it out; it was basically a scam'.
 - C. 'I shouldn't have trusted them'.
 - D. 'They completely reneged on an agreement'.
- When Mr H went on to say something different, that it was a case of mistaken identity, which the Nationwide agent didn't probe, I found the following to be inconsistent and unusual, adding weight to points A to D which suggest there may have been contact and events leading up to a crime of extortion:
 - He told the Nationwide agent he hadn't yet contacted the police but there is a file note referring to the previous day in which he said he '*contacted the police as I*

still couldn't get hold of anyone at my bank and informed them of the situation, they reassured me and told me that this sounded like a fraudulent call from a scammer. They gave me advice not to send anything else and to let them investigate asap'.

- It's unclear when Mr H spoke to the police and why there is an inconsistency. Also, Nationwide do have a Sunday contact telephone number.
- If Mr H did speak to the police on 23 March 2025, because he couldn't get through to Nationwide, and he knew (prior to any payment attempts) that Person J didn't have his name or address, it's unclear why he went ahead with the payment before speaking to them.
- Mr H has provided information on two other payments that appear to be connected but the date of these was 29 March 2025, which is after he reported the criminal activity.

Regarding the redacted police report, although it does say the messages Mr H received could be '*a mass text/call incident*' and explains the tactic, I can't see that Mr H's phone number was on a list. Also, Mr H says he received a call before the message and it's unclear what information was shared with the police.

So, for the above-mentioned reasons, I think this is a case of criminal activity against Mr H, with him unfortunately being extorted.

Regarding Nationwide's responsibility to monitor customer accounts (under the Payment Services Regulations 2017 and Consumer Duty 2023) to protect them from financial harm, even if this was a scam, I wouldn't have expected them to have contacted Mr H. This is because Nationwide weren't aware of any vulnerability and it was an isolated payment for an amount that wouldn't have looked out of character. Also, it wasn't unusual for Mr H's balance to be low and Nationwide processes thousands of payments each day. In addition, it was for a relatively low amount that wasn't unusual for Mr H to make.

Regarding recovery, I'm satisfied that Nationwide did make efforts to recover Mr H's funds once it was aware of the fraud. However, once they identified that the recovery wasn't eligible under PSR rules due to extortion and there was a police report, I don't think they acted unreasonably in cancelling the recovery process.

So, having considered the above and all the information on file, I'm very sorry to disappoint Mr H but I don't think Nationwide have acted unfairly or unreasonably in determining this as a case of extortion and therefore declining his refund claim.

My final decision

For the reasons mentioned above, my final decision is not to uphold this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 May 2026.

Paul Douglas
Ombudsman