

## **The complaint**

Ms H has complained that Nationwide Building Society won't refund the money she says she lost in a scam.

## **What happened**

In 2019, Ms H was in the process of making several property investments, and was looking for additional property investments. She met with an advisor in their financial district offices, and was provided with all the relevant documentation about a property company.

Ms H was introduced to a loan note investment in the property company, which was backed by an FCA-regulated security trustee. After researching the company, Ms H paid £60,000 to the property company by cheque.

The company fell into financial difficulties and was wound up in 2021.

In 2024, Ms H complained about the matter to Nationwide via representatives, alleging that this was a scam. Nationwide didn't think they were liable for Ms H's stated loss.

Our Investigator looked into things independently and didn't uphold the complaint. Ms H's representatives asked for an ombudsman's review, so the complaint's been passed to me.

## **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.

I'm sorry to hear that Ms H lost significant sums in her investment. Though it's not clear that Ms H fell victim to a scam here. There's a high legal threshold or burden of proof to conclude that someone was intentionally trying to commit fraud; as opposed to – for example – running a high-risk unregulated scheme, managing a scheme poorly, or having misleading marketing. Here, it doesn't look like the property company set out to defraud investors. From what I can see, they really were a subsidiary of an established registered company, and they really did use funds to move forward on planned property projects. Unfortunately, it looks like their plans fell through and they became unable to repay creditors. While I appreciate the representatives' concerns about the company, I don't have sufficient grounds on which to conclude that this was a scam. Which would mean there'd be no scam loss for Nationwide to potentially be held liable for in any case.

With that said, even if I were to conclude that this was a scam, and so that Ms H suffered a relevant loss – despite the evidence at hand – I'm afraid I still couldn't reasonably hold Nationwide responsible for that. I'll explain why.

It's not in dispute that Ms H authorised the payment involved. So although she didn't intend for the money to end up with what she now thinks were scammers, under the Payment Services Regulations she is liable for her own payment and a resulting loss in the first instance. And broadly speaking, Nationwide had an obligation to follow her instructions – the starting position in law is that banks and building societies are expected to process payments which a customer authorises them to make.

Nationwide should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. And this will depend on the account. For example, if an account typically deals in high values, it wouldn't make sense to intervene on every single large payment – that would severely disrupt that account's operation. For this particular account, I can see that in the preceding period Ms H had many transactions of similar or far larger amounts, including cheque transactions. This cheque was broadly in line with her other activity, being made from a more than sufficient balance to a registered company. So while this payment would've been very large for an average account, it was not so unusual or out of character for *this* account that Nationwide needed to intervene here.

Further, even if Nationwide *had* flagged the payment and asked reasonable questions about it, I think it's most likely that they would not have uncovered a scam and that Ms H would've still gone ahead. Ms H had sought out the investment herself – she wasn't, for example, cold called – and had taken financial advice in person in a major financial district. She was an existing investor, this was in line with her other property investments, she'd been given all the relevant documentation and information, she was investing in an established registered company backed by an FCA-regulated trustee, she'd researched the matter, and the later causes for concern – like the warning and liquidation – hadn't happened yet. Nationwide were not giving Ms H investment advice in this situation, they were just processing her payment; so I would not have expected them to carry out a deep dive into the companies involved or the suitability of the investment for Ms H. And even with the benefit of hindsight, I've not been able to conclude that this was a scam, so it seems very unlikely indeed that Nationwide could have uncovered one in this case before things even went wrong. I find it's more likely that, even with reasonable intervention, Ms H still would've gone ahead.

I've then considered what Nationwide did to try to recover the money after Ms H told them she'd been scammed. Unfortunately, by that point the payee company had been wound up years ago and it was much too late for Nationwide to reasonably be able to recover anything. And as this was a cheque payment, it was not covered by the CRM Code for scams.

So while I'm very sorry to hear that Ms H lost her money, I don't think Nationwide can fairly be held liable for that. And so I can't fairly tell Nationwide to reimburse Ms H in this case.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 5 November 2025.

Adam Charles  
**Ombudsman**