

### **The complaint**

Ms I complains that Nationwide Building Society didn't do enough to protect her from the financial harm caused by an investment scam. She's also unhappy with the advice she was given when she reported the scam.

### **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.

Mrs I says that she received an email from the scammers who referenced her previous well known investment brokers, which she was keen to leave. The scammers made her feel like they were entering into a joint venture and asked her numerous questions which made her feel that investment was legitimate. Mrs I says that she was advised by the scammer to invest funds into what she believed was a pension fund.

Mrs I said that she had a friendly personable relationship with the scammers (which included giving advice when one of their children was unwell) and was able to see that her investments were growing through a portal. She was also initially able to withdraw funds. She realised after two years that this was a scam when the company she was investing with disappeared.

Mrs I feels that Nationwide could have done more to protect her from the financial harm she suffered due to the scam and would like the funds she lost refunded to her.

She is unhappy with the way in which Nationwide handled her complaint and believes that it could have done more to recover her funds from the account the funds were sent to.

The Investigator concluded that Mrs I disregarded warnings given by Nationwide on multiple calls and repeatedly mislead them about the purpose of her payments. This resulted in her not receiving the most relevant warnings and prevented Nationwide from uncovering the scam. He was persuaded that further intervention and questioning by Nationwide wouldn't have made a difference as he was satisfied it's more likely than not she would have continued to have made the payments and conceal the true nature of the payments. So, he didn't think Nationwide needed to do anything more.

### **What I've decided – and why**

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Having done so, I'm minded to reach the same conclusion to our investigator.

I've summarised the complaint in my own words and I'm not responding to every argument. No courtesy is intended by this. Our rules allow me to do this given the informal nature of our service. If there's something I've not mentioned, it isn't because I've ignored it. Rather, I'm satisfied I only need to focus on the key points to reach what I think is a fair outcome.

I also appreciate Mrs I being so open about her personal circumstances and I'm sorry to hear about the impact the scam has had on her. Within this complaint I'm limited to only commenting on the actions of Nationwide, not the scammer who is ultimately responsible for Mrs I situation, but I do want to from the onset acknowledge the impact this scam has had on her.

I'm satisfied Mrs I authorised the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to the alleged scammers, under the Regulations, and under the terms and conditions of her bank account, Mrs I is presumed liable for the loss in the first instance.

Although Mrs I did authorise the disputed payments and Nationwide is expected to process payments and withdrawals that a customer authorises it to make, where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

#### *Prevention*

#### *Payment 1-4*

The first payment occurred on 29 November 2023, with another three payments occurring that day. Mrs I spoke to Nationwide around the time of the fourth payment as the payment had been flagged as suspicious. She confirmed she had made the payment and explained that it was a new account she had set up with a new financial business.

She said that the new account was better suited to her as she and her family often spend money abroad, and the account offers travels insurance etc. Given the specific benefits of the account, she opened it and wants to transfer funds to it. She also explained that she wanted to do the transfers bit by bit as she wanted to make sure that the funds reach her account and referenced a previous time she had been scammed out of £3,000 so understood the need for the intervention call.

When probed further about the purpose of the payments she said that one of her children is starting a business abroad, another is buying a house, and there are other travel plans she wants to contribute towards.

She confirmed that she is making the payment herself, and nobody is pressuring her to do so. Nationwide did provide warnings about the scams during this call, and given Mrs I answers I don't think additional warnings about scams would have resonated with her or that there was enough information in the call to alert Nationwide to the fact she was being scammed. Her answers seemed plausible and appear designed to alleviate any concerns Nationwide might have about the payment and prevent it from uncovering the scam.

I'm satisfied that Nationwide's intervention was proportionate in the circumstances, so I can't fairly conclude that Nationwide are responsible for her loss.

#### *Payment 5*

The fifth payment was for substantially more (around £15,000) and again was to the same financial account Mrs I had with another financial institution. Mrs I explained that the reason

for the transfer was that she was completing home upgrades as she needs to move due to health reasons. She said that her brother (along with other people) would be helping her with the upgrades, and the funds were mostly for purchasing materials.

Mrs I again reiterated during this call that she had been scammed before so understood the need for further questions about the payment. She said she prefers the new account due to the benefits.

During this call Nationwide said that it is common for scammers to ask people to take out loans, say there are investment opportunities and ask individuals to forward the loan proceeds to an account with another financial institution and then on from there. This is similar to Mrs I circumstances; however, Mrs I reiterated that this wasn't happening here. Considering Mrs I answers to Nationwide's questions I don't think it acted unreasonably in allowing the payment and I'm satisfied that its intervention asked sufficiently probing questions and was proportionate in the circumstances. Mrs I deliberately misled Nationwide and again her answers seemed designed to frustrate its attempts to uncover the scam.

#### *Payment 6-10 and payment 12*

Mrs I continued to make payments towards the scam with the above payments being between £15,000 and £19,900. Arguably while at this point large transactions were not uncommon on the account, considering the amounts involved ideally these should have flagged with Nationwide and it should have asked further probing questions around the circumstances of the payments. However, considering how Mrs I responded when she spoke to Nationwide about the earlier payments, I'm persuaded that such an intervention would not on balance have uncovered the scam or have dissuaded Mrs I from continuing with the payments.

#### *Payment 11, 13 and 14*

Considering the amounts of these payments and given the account history I don't think that these payments warranted further intervention from Nationwide.

#### *Payment 15*

This payment was for £19,980. During this call Nationwide reiterated that fraudsters would tell Mrs I to lie and it is her responsibility to answer questions truthfully and if she misled them then it may not be able to recover the funds. Mrs I said she understood and had done this before.

Mrs I explained that context for this payment was that she had three students abroad and her and her ex-husband had transferred funds there before. The reason it is a new payee is that she no longer has her account with the previous bank. She said that the payment was for her family – specifically sharing expenses when they go abroad and looking after properties. And the payment was to her own personal account. She also said that the company she was transferring funds to she had completed checks on and is FCA regulated.

After carefully considering her answers to the additional probing questions I don't think Nationwide acted unreasonably in letting the payment go through. And I don't think her answers should have alerted Nationwide to the fact that she might be at risk of financial harm.

#### *Payment 16 and 17*

These payments are for £18,950.00 and £16,170.00 and occurred a couple of weeks after payment 15. Payment 16 was to the same recipient as payment 15. And during the intervention call for payment 15 Mrs I says that she was intending to make a large additional payment.

While ideally Nationwide should have intervened and asked questions about payment 16 and 17 given their size, these payments weren't that unusual as Mrs I had frequently used her account to make large payments by this point. And to one of the recipients she had previously sent money to. If Nationwide had proportionately intervened, given that at this point Mrs I had consistently misled Nationwide as to the true purpose of the payment, I think it's likely she would have again provided a plausible explanation for the payments. And there is nothing to suggest that she would have on balance been receptive to a scam warning as she hadn't been so previously (most recently a couple of weeks before – when she spoke to Nationwide about payment 15).

### *Conclusion*

I've carefully considered all the information given to see if Nationwide acted fairly. After reviewing the messages given between Mrs I and the scammer I can see that she was being coached as to what to say in order to bypass any Nationwide's security questions and fraud prevention systems. Mrs I explained that the scammers told her the reason for this was because banks wanted to keep her money so they could use her funds to make money. She found this explanation plausible and misled Nationwide as to the true purpose of the payments when she spoke to them.

I've no doubt that Mrs I thought the scam was legitimate. She has referenced many reasons why she thought so, which include that they mentioned her previous investment adviser, she was able to withdraw funds at the start, and that the portal looked genuine.

I'm therefore persuaded that whatever questions had been asked of Mrs I, she would have reverted to the scammer on how to answer them. That's evident given Mrs I didn't answer of Nationwide's questions accurately likely because of the coaching she was receiving from the scammer.

I can only ask Nationwide to reimburse Mrs R if I find that any wrongdoing on its part caused her loss. And I don't think additional questioning or warnings by Nationwide would have resulted in Mrs I acting any differently given the level of coaching and trust Mrs I placed in the scammer.

### *Recovery*

I don't think there was a realistic prospect of a successful recovery given the length of time that had passed from when the scam payments occurred to when it was reported to Nationwide and Mrs I also made the majority of the payments to accounts in her own name before moving the funds onwards from there.

### *Compensation*

The main cause for the upset was the scammer who persuaded Mrs I to part with her funds. I appreciate that Mrs I has found the experience of speaking to Nationwide stressful – specifically the call where she was given the outcome of her complaint which I've listened to in full and appreciate that she was unhappy with the advisor. However, I haven't found any errors or delays to Nationwide's investigation, so I don't think she is entitled to any compensation.

## **My final decision**

My final decision that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms I to accept or reject my decision before 14 January 2026.

Sureeni Weerasinghe  
**Ombudsman**