

The complaint

Mr J complains that Nationwide Building Society ('Nationwide') hasn't refunded the money he believes he lost to an authorised push payment ('APP') scam.

What happened

The circumstances of the complaint are well-known to both parties and were explained thoroughly in our Investigator's opinion on this complaint. So, I don't intend to set out the circumstances again in detail here. However, I'll provide a brief summary of what's happened.

Between February 2024 and July 2024, Mr J gave cash or sent faster payments to a third party (whom I'll refer to as 'L'), totalling over £48,000. The payments were for building work at Mr J's home.

L did start some work at Mr J's home; however, this wasn't completed. Mr J says the work that was done was to a poor standard and L left Mr J's home in a state of disrepair and didn't return to finish the job he was paid to do. As a result, Mr J has had to pay other contractors to finish (and in some instance redo) the work he'd paid L for.

In September 2024, Mr J reported the situation to the police who advised him to make an APP scam claim to Nationwide and ask for a refund of his money. Mr J did contact Nationwide, but it declined to reimburse him. Mr J made a complaint, which Nationwide rejected, arguing the situation was a civil dispute between Mr J and L, rather than an APP scam, meaning it wasn't responsible for Mr J's loss.

Unhappy with Nationwide's response, Mr J referred his complaint to this service. Our Investigator considered the complaint, but didn't uphold it. In summary, they said they didn't think Nationwide had acted unfairly by treating Mr J's APP scam claim as a civil dispute and they weren't persuaded Nationwide needed to reimburse Mr J's loss.

Mr J didn't accept our Investigator's opinion. He felt there was sufficient evidence that L had taken his money fraudulently. Mr J says when he refused to make any more payments to L until he had completed the work he'd been paid to do, L disappeared and Mr J thinks this demonstrates L had no intention of completing the work he'd been paid to do.

As an agreement couldn't be reached, the complaint has been passed to me to decide.

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.

Mr J has made some detailed submissions in support of his complaint and provided a substantial amount of evidence. I've read and considered everything he's sent in, but I don't intend to respond in similar detail. I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. To my mind, the key question to be answered here, is whether Nationwide can fairly be held responsible for reimbursing Mr J's loss.

Nationwide hasn't reimbursed Mr J because it thinks his dispute with L is a civil dispute and not an APP scam, which means it can't be held responsible for the loss. For me to say that decision was wrong – and Nationwide should've refunded Mr J's loss – I'd first need to be satisfied that Mr J has been the victim of an APP scam.

Nationwide isn't responsible for all transactions which ultimately result in a loss for the customer. In this case, to say Mr J has been the victim of an APP scam, I'd need to be persuaded that Mr J sent his funds to L for what he believed was a legitimate purpose, but which was in fact fraudulent.

I've considered the evidence available, but I can't fairly conclude that Mr J has been the victim of an APP scam in line with this required definition. This means Nationwide isn't required to reimburse Mr J. I'll explain why.

Mr J's explained that he was introduced to L by a project manager when L was sub-contracted to carry out some renovations at Mr J's home. Mr J's explained that at the time the work was completed, he was satisfied with the quality. So, as L had previously been sub-contracted by a project manager and had already completed work at Mr J's home, this gives the impression that L was a legitimate tradesman.

It's clear from the photographs Mr J has submitted, that a substantial amount of work has been done to Mr J's home by L, although I appreciate the work hasn't been completed and I accept Mr J isn't satisfied with the quality of the work that has been done. The work that's been started, includes electrical work, plastering, fitting new windows and installing a wet room (which includes plumbing and tiling). L was attending and working (with some other contractors) at Mr J's home for a number of months, and I don't consider this to be the typical behaviour of a scammer.

To help me reach a conclusion on whether Mr J has more likely than not been the victim of an APP scam, I've carefully considered the information that L's bank had provided. However, this hasn't given me any cause for concern.

Prior to, and during the period Mr J was paying L, he appears to have been engaged in activity that is consistent with the service Mr J sent the funds for. There are multiple occasions where a third party has paid L using a reference that suggests L was involved in other building projects. However, L's bank has confirmed that it hasn't received any other reports of fraud made against L. It seems unlikely that if L intended to scam Mr J, that he would be L's only victim.

L has also paid third parties, using references that suggest he was paying his own sub-contractors for work they were doing for him. L also received several payments from a building company, suggesting he was working as a sub-contractor for other building firms.

He was also making payments that are consistent with being involved in the building trade, such as payments to builders merchants (including a trade-only building materials supplier). This suggests L was operating as a genuine tradesman at the time Mr J paid him.

I appreciate that Mr J hasn't received all the goods and services that he paid L for and that damage was done to his home which wasn't made good. I also accept that once Mr J confirmed he wouldn't make any further payments until the work had been completed, L disappeared. Whilst I don't condone L's behaviour, it doesn't necessarily mean that the funds were criminally obtained or that L had no intention of completing the work at the time the payments were made.

It's possible that the work at Mr J's home became untenable for L, especially after the damage that was caused by the leak he made, meaning it's plausible he couldn't financially continue with the project, knowing what remedial works were needed. But that's insufficient to say L received the payments with a fraudulent purpose in mind.

I appreciate Mr J feels very strongly that L has scammed him and that L's behaviour is indicative of fraud. I accept it's possible that L never intended to complete the work Mr J paid him for and that what work was done was purely to encourage Mr J to make further payments (as Mr J has alleged). However, after considering all the evidence available to me, I'm not persuaded it's more likely than not that Mr J has been the victim of an APP scam. To my mind, the evidence suggests L was operating as a genuine tradesman and so I can't say it's most likely that he intended to scam Mr J when the payments were made.

I have natural sympathy with Mr J, given the loss he's suffered and the distress this situation has caused him. However, as I've not been persuaded Mr J has been the victim of an APP scam – as per the relevant definition – I don't find Nationwide acted unfairly by declining to reimburse him.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 6 October 2025.

Liam Davies
Ombudsman