

The complaint

Mr C complains that Nationwide Building Society will not refund money he says he lost to a scam.

Mr C is represented by a firm, but for ease, I have only referred to Mr C in my decision.

What happened

The background to this complaint is well known to both parties so I won't repeat it in detail here. In summary Mr C said he made the following payments towards what he believes to have been a legitimate cryptocurrency investment.

Payment	Date	Transaction type	Amount
1	08 April 2024	Faster payment to third party	£1,800
2	08 April 2024	Faster payment to cryptocurrency platform	£4,400
3	10 April 2024	Card payment to third party	£3,982.02

Mr C said he came across an advertisement on social media for the investment opportunity and decided to invest. He made payment to the alleged scammer to purchase a new cryptocurrency Meme coin, which he was told he would be able to sell at a significant profit. Mr C says he also made payments to the scammer in exchange for another more established cryptocurrency. He said he realised he had been scammed when he didn't receive the cryptocurrency and discovered that the Meme coin he purchased was worthless.

Mr C raised the matter with Nationwide but it didn't refund the money he said he lost and it did not uphold his complaint. Our Investigator thought the complaint should be upheld. She thought Nationwide could have prevented Mr C's loss from the second payment onwards. However, she didn't think Mr C had acted reasonably and therefore he ought to bear equal responsibility for the loss.

Nationwide doesn't accept our investigator's view. While it accepts that it ought to have intervened in the second payment, it does not think Mr C lost all the funds to the alleged scam. Our Investigator did not change her opinion, and as such the matter has been referred to me for a final decision.

I wrote to Mr C and asked for evidence that the funds had been lost to a scam and for further evidence of his communication with the scammer. I explained that the conversation with the scammer shows he did receive the coin but it wasn't worth what he thought which would suggest it was a bad investment rather than a scam. I also explained that there was insufficient evidence to satisfy me that a scam had occurred and even if it was a scam, there was insufficient evidence of the loss to Mr C.

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, I do not uphold this complaint. I know Mr C will be disappointed with my decision, but I'll explain my reasons why.

In broad terms, the starting position in law is that Nationwide is expected to process payments and withdrawals that a customer authorises it to make. There is no dispute here that Mr C authorised the payments. And in accordance with the Payment Services Regulations and the terms and conditions of the account, he is responsible for the funds he says he lost.

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Nationwide should take steps to help protect its customers from financial harm resulting from fraud or a scam. But this responsibility is predicated on there being evidence of fraud or a scam. Nationwide does not have to intervene with authorised payments, and I cannot fairly or reasonably hold it responsible for alleged losses, if there is in fact no fraud or scam. So the first matter to decide is whether Mr C made the payments as a result of fraud.

Due to the limited information that has been provided, it is difficult to know exactly what was discussed and agreed between Mr C and the alleged scammer. Having reviewed the information that is available, it is clear that something went wrong in the agreement but I have not seen sufficient evidence to persuade me that Mr C lost his funds to a scam.

Payment 1 and 3

Initially Mr C said payment 1 was made directly to the alleged scammer to join their private social media group, where they gave away cryptocurrency coins. He has since stated that payments 1 and 3 were made to a third party he was introduced to by the alleged scammer in order to purchase cryptocurrency which he said he did not receive. I have reviewed the information provided, including screenshots of Mr C's conversations with the alleged scammer, they show discussions with the individual after the payments were said to have been made. However there is insufficient evidence of a link between the person the funds went to and the alleged scammer or that Mr C didn't receive the cryptocurrency he paid for.

Payment 2

Some complaints that we see involve investments that resulted in disappointing returns or losses. While some investments may be sold using sales methods, or have terms and conditions, that customers think are unfair or misleading, that doesn't always amount to fraud. And while banks ought to be aware that cryptocurrency related transactions carry a greater risk of fraud, that does not mean that all payments for the purchase of cryptocurrency are in fact fraudulent.

Payment 2 was made to a legitimate cryptocurrency platform from which Mr C said the funds were sent to the scammer for the purchase of a new cryptocurrency Meme coin that was due to be launched. The conversation with the scammer confirms Mr C received the Meme coin he paid for. Considering this and the high-risk nature of trading in cryptocurrency Meme coins, I have not seen sufficient evidence to persuade me, the person he bought the coin from intended to defraud him from the outset and Mr C lost the funds to a scam, rather I think its likely this was an investment which produced disappointing returns.

Furthermore, Nationwide has highlighted concerns and provided evidence that part of the cryptocurrency Mr C said he sent to the scammer was used by him to purchase Meme coins which he traded at a loss. So even if I were to be satisfied this payment was made as a result of a scam, I am not persuaded all the funds were in fact sent to the scammer and lost.

There is no obligation on banks to protect customers from the risk of loss one faces by entering a high-risk investment such as in cryptocurrency trading or to provide investment advice. It follows that where I am not persuaded the payments Mr C made were the result of fraud or a scam, I cannot fairly or reasonably expect Nationwide to reimburse the funds he says he lost.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 September 2025.

Oluwatobi Balogun
Ombudsman