

The complaint

Mr D complains that Nationwide Building Society ('Nationwide') hasn't fully refunded him after he fell victim to a scam.

What happened

In 2024, Mr D found an investment opportunity online with a company I'll refer to as C. The investment involved the purchase and rental of social housing properties.

Mr D made a payment of £13,500 to C from his Nationwide account in May 2024. He received returns of £600 per month in September 2024 and October 2024.

Unfortunately, C were operating a scam and Mr D didn't receive any further returns or the return of his capital.

Mr D raised a scam claim with Nationwide, asking that they refund him. Nationwide told Mr D that under the Contingent Reimbursement Model Code (CRM Code), they weren't able to give him an answer as they were awaiting the outcome of the police investigation in order to decide whether or not it was a scam. Nationwide referred to R3 (1) (C) in the CRM Code which says, *"If a case is subject to investigation by a statutory body and the outcome might reasonably inform the Firm's decision, the Firm may wait for the outcome of the investigation before making a decision."*

Mr D wasn't happy with Nationwide's response, so he brought a complaint to our service. While the case was with our service, Nationwide changed their position and in June 2025 provided Mr D with a full refund.

Mr D raised a concern that he wasn't paid interest on the refund, which he is entitled to under the CRM Code.

An investigator reviewed Mr D's complaint and agreed that Nationwide should pay interest on the refund. The investigator said the interest should be calculated from the date Nationwide declined Mr D's fraud claim to the date of settlement.

Nationwide disagreed with the investigator's opinion, saying they didn't have the information needed to reach an answer on Mr D's claim until June 2025 – so he isn't entitled to interest.

Having reviewed the case, I agreed with the investigator that Mr D was entitled to interest on his refund. But I was satisfied that Nationwide had enough information to reach an answer on Mr D's scam claim at an earlier date. I emailed Nationwide explaining why I believed this was the case and my reasoning. Nationwide still disagreed and asked for a decision.

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.

Here it's not in dispute that Mr D lost his money as the result of a scam and he has been fully refunded for the payments he made to C. So, I don't need to make a finding on this issue.

The only issue that is outstanding is whether Mr D is entitled to be paid interest on the refund Nationwide paid, and, if so, what dates should be used to calculate the interest.

In the same month that Nationwide received Mr D's fraud claim about C, they received another claim from a separate customer about C. The other complaint contained additional information and evidence showing why C was a scam and not a civil dispute. This included evidence from the building owners confirming they had no connection with C, and that the properties in the building would be used for student accommodation not social housing as claimed by C.

It's worth noting that Nationwide received this other complaint prior to them contacting Mr D and asking him for more evidence so they could consider his claim.

Based on the information available in the other claim, I'm satisfied that Nationwide had enough information to reach the conclusion that Mr D was the victim of a scam prior to June 2025. I'm not satisfied that Nationwide had to wait until the external investigation into C had completed to reach that answer.

On that basis, Mr D is entitled to 8% simple interest on his refund. As Nationwide didn't decline Mr D's claim under the CRM Code, the interest should be calculated from 15 days after Mr D raised his fraud claim with them until the date the refund was paid in June 2025.

Putting things right

To put things right I require Nationwide Building Society to pay 8% simple interest on Mr D's refund, calculated from 15 days after they received his fraud claim to the date of settlement in June 2025.

My final decision

My final decision is that I uphold this complaint against Nationwide Building Society. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 December 2025.

Lisa Lowe
Ombudsman