

The complaint

Mr D complains about Nationwide Building Society.

He says that Nationwide failed to protect him when he fell victim to a scam and would like it to refund him the money he has lost as a result.

What happened

Mr D was looking for investment opportunities online to make more money for home improvements, having researched several opportunities he subsequently received a call from an individual representing a company I will refer to as 'J'.

Mr D was impressed by the individual's knowledge and professionalism and found J's website professional. He was also provided leaflets which further added legitimacy to the investment.

Mr D decided to make investments into two different opportunities, one into a company, and one into precious metals, with the intention to let his money grow before making a withdrawal.

He made numerous payments to both opportunities between September 2018 and December 2019, by international transfer, totalling £120,759.33 (including transfer fees).

However, this was delayed, and Mr D was asked to make a further payment in March 2020 to release his funds. Nationwide intercepted this payment and concluded that Mr D had been scammed.

Mr D complained to Nationwide about what had happened – he said that Nationwide should have protected him when he started making the payments and asked it to refund him.

Nationwide didn't uphold the complaint, so it was brought to this Service.

Our Investigator looked into things and didn't think that the complaint should be upheld. They explained that the Lending Standards Board's Contingency Reimbursement Model Code (CRM Code) didn't apply to the payments Mr D made as they were international payments, and that while Nationwide should have intervened in the payments, they weren't persuaded that the scam would have been uncovered even if it had done so.

Mr D asked for an Ombudsman to make a final decision, so the complaint has 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.

Having done so, I have decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know that this will not be welcome news to Mr D – he has lost a huge

amount of money to a cruel scam, and I am very sorry for what has happened to him. And I understand he would want to try and recoup his losses. But I need to decide if Nationwide can fairly and reasonably be held responsible for this.

In broad terms, the starting position banks and payment service providers such as Nationwide are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Nationwide has signed up to the Lending Standards Board's Contingent Reimbursement Model Code (the CRM Code) – however as our Investigator has explained, the code does not apply to international payments.

However, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider it fair and reasonable that Nationwide should:

- Have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud. This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- Have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Looking at how Mr D's account usually operated, I think that Nationwide should have got in touch with Mr D about the payment he made in December 2018 – the payments prior to this weren't significantly out of character from the way Mr D usually used his account, however this payment of £25,000 was significantly larger than usual and therefore I think Nationwide should have intervened prior to releasing the payment.

However, in order for me to uphold this complaint, I would have to find that a scam could have been uncovered by Nationwide at this point, and I'm afraid that I don't think that it would. I'll explain why.

It appears that Nationwide did get in touch with Mr D about the payments he was making – but due to the time that has passed there isn't any information available to see what was discussed, although Nationwide says that it would have provided Mr D with scam warnings depending on what he told it.

In the absence of the full account of what was spoken about, I have to base my decision on what I think is most likely to have happened at the time. And I think Nationwide would have asked Mr D what he was doing and why – and he would have explained that he was making an investment.

I don't think Mr D would have lied to Nationwide – and he probably would have told it that he was making an investment with a company he had found online (rather than him being approached out of the blue). He also likely would have said that he had been provided with literature and given the website address to Nationwide.

At the time Mr D made his payments, investment scams were not as prevalent as they are now – so I think Nationwide would have told him to be careful, make sure that he had done his research, and check the Financial Conduct Authority (FCA) website. Mr D had already looked into J – he had found it himself and was seemingly happy with what he had found. And there doesn't appear to have been any negative information in the public domain about J at the time he was making his payments.

The FCA did update its website a few days prior to the final payment being made by Mr D – but this wasn't available for the majority of the payments Mr D made, and I wouldn't have expected Nationwide to have pre-empted that this would happen, or have intervened in the final payment Mr D made considering his payments to J had now been continuing for some time and were not unusual. It also appears that in early December 2019 Mr D made contact directly with the FCA about J as he had concerns about it but then continued to make a further payment after this time.

So, while I do think that Nationwide should have intervened in what Mr D was doing, I am not persuaded that a scam would have been uncovered, and therefore I am unable to say that Nationwide should refund Mr D his money.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 November 2025.

Claire Pugh
Ombudsman