

## **Complaint**

Mr J is unhappy that Nationwide Building Society didn't reimburse him after he reported falling victim to a scam.

## **Background**

Mr J bought a second-hand car in June 2025 for £2,250. He paid for the car by transferring funds from his Nationwide account to the seller. At the time of purchase, the seller told Mr J he was a private seller. However, after the sale, Mr J discovered evidence suggesting this wasn't true.

Shortly after buying the car, it developed several serious faults. Mr J queried this with the seller and, during his investigations, found out the car was a "category N write-off". This means the car had previously been the subject of an insurance claim and was considered uneconomical to repair, although the damage wasn't structural. The seller told Mr J the car had been repaired before the sale.

Mr J believed he had been the victim of a scam and contacted Nationwide to ask for his money back. It declined to refund him. At the same time, Mr J sent a letter before action to the seller. After a lengthy negotiation, he reached a financial settlement with the seller to avoid court proceedings. However, this settlement didn't cover all of Mr J's losses.

Unhappy with Nationwide's response, Mr J brought his complaint to this service. An Investigator considered the complaint but didn't uphold it, concluding that Mr J hadn't been the victim of a scam but was involved in a private civil dispute with the seller. Mr J disagreed.

Broadly summarised, he said he was the victim of an authorised push payment (APP) scam because:

- The seller didn't disclose the car had been written off.
- The seller presented himself as a private seller, but evidence suggested he was in the business of selling cars, including the fact the car was registered as "in trade" with the DVLA.

As Mr J disagreed with the Investigator's view, the complaint has been passed to me to make a final decision.

## **Findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The starting point in law is that a firm is expected to process payments that a customer authorises, in line with the Payment Services Regulations 2017 and the terms and conditions of the account. However, Nationwide is also bound by the FPS Reimbursement Rules. These rules require firms to refund customers who fall victim to authorised push payment (APP) scams in most circumstances.

Mr J can only benefit from those rules if what happened to him meets the definition of an APP scam. The rules define an APP scam as:

*“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer’s relevant account to a relevant account not controlled by the consumer, where ... the payment is not for the purpose the consumer intended.”*

The rules also specifically exclude what they call “civil disputes”, which they define as:

*“A dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”*

The key question is whether the seller acted fraudulently or dishonestly. That turns on the state of mind of the seller. I obviously can’t know what the seller’s intentions were at the time, and so I have to infer what they likely were by looking at what the other available evidence tells me.

From the evidence I’ve seen, there’s little doubt that the seller disclosed the car had been in a collision. This was mentioned in the original advert, and the messages between Mr J and the seller suggest there was at least some discussion about the car having sustained damage. The seller says he told Mr J the car had been written off, but Mr J denies this. I can’t know for certain what was said, but the evidence shows the seller didn’t try to conceal that the car had been in a collision and repaired before the sale.

It’s true the seller didn’t proactively disclose the car’s write-off status, but I’ve seen no evidence of a clear misrepresentation. A misrepresentation is generally understood as a false statement of fact made by one party to another, which induces the other party to enter into a contract. For example, if the seller had said the car had never been written off when it had, that would likely amount to a misrepresentation. In this case, I’ve not seen evidence that the seller made any such false statement. While the seller may not have volunteered every detail, the available evidence suggests he didn’t actively mislead Mr J about the car’s history.

I’ve considered Mr J’s point that the seller presented himself as a private seller rather than a trader. If the seller was acting in the course of business, this could mean Mr J would have additional rights under the Consumer Rights Act 2015 if he chose to pursue the matter through the courts. For example, a trader selling a car must ensure it’s of satisfactory quality, fit for purpose and as described. Those obligations don’t apply in the same way to private sales, which generally proceed on a “buyer beware” basis.

Mr J argues that the seller’s failure to disclose his trading status shows he was dishonest more generally. I understand why Mr J feels that way, but I’m not persuaded this demonstrates fraud or dishonesty in relation to the payment itself. The evidence I’ve seen suggests the seller was broadly honest about the key issue Mr J says would have changed his decision to buy – specifically that the car had previously been damaged and repaired. While the seller may not have been completely transparent about his trading status, that’s not the same as using a fraudulent or dishonest act to induce Mr J to make the payment. Mr J has said the seller presented himself as a private seller to deny him his consumer rights. Under the Consumer Rights Act 2015, key consumer protections only apply if goods are bought from a “trader.” However, if a dispute like this went to court, it would be for the court to decide objectively whether the seller was acting as a trader or a private individual. It isn’t simply a matter of how the seller describes themselves.

That's why I'm not convinced it's obvious why the seller would misrepresent their status. By saying he was a private seller, he was effectively signalling that Mr J would have fewer legal remedies if something went wrong. All else being equal, that would likely make Mr J *less willing* to go ahead with the purchase. This behaviour doesn't, in my view, strongly support the idea that the seller was acting dishonestly to induce the payment.

In addition to these points, I also can't determine the extent of the car's previous damage. An older car can be written off after a relatively minor collision. All that is required is that the cost of those repairs exceed the market value of the car. Mr J believes the faults that developed soon after purchase must relate to the earlier damage, but that's not necessarily the case. The car had high mileage and significant wear and tear, which makes it just as likely the faults were unrelated to the previous accident. Components can fail simply due to age and usage, even if the car had been repaired properly after the collision. I appreciate why Mr J has drawn a connection between the write-off status and the subsequent faults, but it isn't necessarily the case that, just because those two events came in quick succession, that the first caused the second.

I don't say any of this to minimise what Mr J has experienced. It's clear he didn't receive what he reasonably expected when he bought the car, and I recognise the stress and inconvenience this has caused him. However, the evidence simply doesn't support the conclusion that he was deceived into making the payment. In other words, I can't fairly say that Mr J was the victim of an APP scam.

### **Final decision**

For the reasons I've explained above, 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 28 October 2025.

James Kimmitt  
**Ombudsman**