

## The complaint

Miss N has complained that Nationwide Building Society won't refund the money she lost after falling victim to a scam.

## What happened

In summary, after helping her sort out a mortgage, Miss N's mortgage adviser introduced her to a cryptocurrency investment scheme, which turned out to be a scam in the end.

Between August and December 2021, Miss N sent over £12,000 from her Nationwide account to her own account at a cryptocurrency exchange by card payments. She then sent crypto on to the scammers. She invested money sent to her by friends and family which she has not been able to repay.

In 2024, Miss N reported the scam to Nationwide as part of a complaint brought by her representatives. Nationwide refunded the related non-sterling charges (around £380) as a goodwill gesture, but didn't think it was otherwise liable for the loss.

Our Investigator looked into things independently and didn't uphold the complaint. Miss N's representatives asked for an ombudsman's review, so the complaint has been passed to me to decide.

I sent Miss N and Nationwide a provisional decision on 4 September 2025, to explain why I thought the complaint should be upheld. In that decision, I said:

*There's no dispute that Miss N authorised the payments involved, even if she didn't intend for the money to end up with scammers. So under the Payment Services Regulations and the terms of her account, Miss N is liable for the loss in the first instance. But the matter doesn't end there.*

*Taking into account the law, regulator's rules and guidance, relevant codes of practice, and what I consider to have been good industry practice at the time, I consider that Nationwide should have fairly and reasonably:*

- *Monitored accounts and payments to counter risks such as fraud and scams;*
- *Had systems in place to look out for particularly unusual transactions or other signs its customers were at risk of fraud;*
- *In some circumstances, taken further steps or made further checks before a payment went out, or even blocked it, to help protect customers – irrespective of the type of payment involved.*

*While the first payment was relatively modest, I currently think Nationwide should've intervened at the point of the second payment. It was a large amount both in and of itself and relative to Miss N's usual activity. Aside from a one-off payment Miss N had made nearly a year prior, there was no comparable activity in the preceding period. The payment was identifiably going to a crypto site, and while back then Nationwide wasn't quite as on-notice about crypto scams as in later years, by that point the Financial Conduct Authority (FCA) and Action Fraud had warned about crypto scams and there was notable media coverage, so I think Nationwide would've had some reasonable awareness of the increased risk involved. I think the second payment should've stood out as particularly out of character and should've prompted Nationwide to intervene, and it appears Nationwide accepts this.*

*Had Nationwide intervened and asked reasonable probing questions, I currently think it's most likely that it could have uncovered the scam and stopped any further loss. Nationwide argued that the investment scheme would've looked genuine at the time. And while it probably would have for the average person, I think Nationwide should've been able to see through the veneer. There was an existing FCA warning about the scheme, and reasonable questioning should've revealed hallmarks of a relatively prominent type of scam. For example, how one would earn by recruiting more people like in a Ponzi scheme, how withdrawals were restricted, being encouraged to borrow from family, the unrealistic returns offered, and so on. I've seen nothing to suggest that Miss N would not have been honest about why she was spending this money – she thought she was genuinely investing, and she hadn't been told to lie if questioned. And I've found no good reason why Miss N would not have listened to Nationwide – it's a well-known name in banking and this wasn't money she could afford to lose.*

*I've also thought carefully about Miss N's role in what happened. I appreciate that Miss N could've looked into the scheme further. But in her circumstances, I can understand why Miss N went along with the scheme. As I mentioned before – and as Nationwide appear to agree – the scheme would've likely looked legitimate to the average person. And it doesn't seem unreasonable – and certainly not negligent – for Miss N to trust advice from a financial consultant who'd already helped sort out her mortgage. Miss N wouldn't have reasonably known the consultant was seriously overstepping what they were allowed to do – that's the kind of thing Nationwide would know rather than Miss N. And I've seen nothing to suggest that Miss N was, or ought to have been, familiar with this type of scam. So I don't currently think that Miss N needs to share liability for the loss from the second payment on.*

*Next, I've considered what Nationwide did to try to recover Miss N's money after she told Nationwide about the scam. Unfortunately, it wasn't possible for Nationwide to get back funds which Miss N had already sent on in crypto. And any funds remaining in Miss N's crypto account were still available to her anyway, so there was nothing more for Nationwide to do there. As these were card payments to Miss N's own crypto account, they were not covered by the CRM Code for scams. It was too late for Nationwide to do a chargeback, and there was no chargeback reason which would've been appropriate here anyway – it would've been a claim against Miss N's own exchange rather than the scammers. And the exchange provided the service they were supposed to.*

*So based on what I've seen so far, I currently think Nationwide should refund the loss from the second payment onwards.*

*I will clarify that, from Miss N's crypto account transaction history, it seems that her final two payments (£39.22 and £181.84) were not sent on to the scam. So I have not included them in the loss. Similarly, I'm not planning to tell Nationwide to reimburse the first payment (£465.32). And Nationwide has already refunded the related charges. This brings the total relevant loss to £12,225.68.*

*I also understand that the funds came from friends and family who Miss N has not repaid. I understand that Miss N has agreed to repay these individuals using the redress, and has consented to our service informing them of the redress. Based on the credits they sent her, Miss N would need to split the redress as follows:*

*TK: 45.79%*

*LN: 39.14%*

*YA: 11.58%*

*SN: 3.49%*

I said I'd consider anything else anyone wanted to give me – so long as I received it by 18 September 2025.

### **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.

Both sides accepted the provisional decision, and neither sent any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

Nationwide clarified that it would pay the relevant loss and the simple interest into Miss N's account as two separate payments. It would do so on the basis that Miss N had disclosed the loss accurately, so e.g. if money had already been recovered from elsewhere this would be taken off the loss.

As noted before, this redress is being awarded on the understanding that the funds came from friends and family who Miss N has agreed to repay and has agreed for our service to inform of the redress. Based on the credits they sent her, Miss N would need to split the redress as follows:

TK: 45.79%

LN: 39.14%

YA: 11.58%

SN: 3.49%

### **Putting things right**

I direct Nationwide Building Society to:

- Refund to Miss N the loss from the second payment up to and including the payments of statement date 1 December 2021. Those payments totalled £12,225.68.
- Add simple interest at the rate of 8% simple per year onto the refund, payable from the date each reimbursed payment debited until the date of the refund.

If Nationwide considers that it's required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, it should tell Miss N how much tax it's taken off. It should also give Miss N a tax deduction certificate if she asks for one. Miss N may be able to reclaim the tax from HMRC if she doesn't normally pay tax.

### **My final decision**

I uphold Miss N's complaint, and direct Nationwide Building Society to put things right in the way I set out above.

If Miss N accepts the final decision, Nationwide Building Society must carry out the redress within 28 days of the date our service notifies it of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 20 October 2025.

Adam Charles  
**Ombudsman**