

## The complaint

Mr M complains that Nationwide Building Society ('Nationwide') as the receiving bank, could've prevented the loss he suffered.

## What happened

In 2021, Mr M was introduced to an individual by a friend he'd known since secondary school and trusted. I'll refer to the individual as K. K holds a bank account with Nationwide.

Mr M was told that K made money through investments in property and cars but needed help with emergency business costs. Mr M was told he would earn double his money back as well as a lease car.

Mr M made the following payments from his bank account to K's Nationwide account.

Date	Details of transaction	Amount
7.7.2021	Transfer to K	£300
12.7.2021	Transfer to K	£15,000
14.7.2021	Transfer to K	£15,000
19.7.2021	Transfer to K	£3,575

Mr M didn't receive his money back and says it was a scam. He reported it to his bank in 2024.

Mr M raised a fraud claim with Nationwide saying:

- They allowed the beneficiary account to be opened.
- They didn't question the activity on the account
- They didn't safeguard his funds when the scam was reported.

Nationwide declined to refund Mr M saying they opened the account in line with their internal procedures.

Mr M wasn't happy with Nationwide's response, so he brought a complaint to our service.

An investigator looked into his complaint but didn't uphold it. The investigator was satisfied that Nationwide acted reasonably in opening the account and monitoring activity on the account. As the fraud wasn't reported until years after the payments were made, no funds could've been recovered and Nationwide aren't liable for Mr M's loss.

Mr M disagreed with the investigator's opinion and asked for an ombudsman to review the case. Mr M believes Nationwide should've been concerned based on the size of the payments, and that their customer was receiving money related to an investment with no regulatory approval.

## **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.

Nationwide are a signatory of the Contingent Reimbursement Model (the CRM Code). This sets out what is expected of the 'sending firm' and 'receiving firm' when payments are made or received. Nationwide are the receiving firm in this complaint.

The CRM Code says the receiving firm should "take reasonable steps to prevent accounts from being used to launder the proceeds of APP scams. This should include procedures to prevent, detect and respond to the receipt of funds from APP scams. Where the receiving Firm identifies funds where there are concerns that they may be the proceeds of an APP scam, it should freeze the funds and respond in a timely manner."

It's important to note that Nationwide has shared information with our service, which I can't share due to data protection issues as it relates to a third party. However, I have taken it into account in reaching an answer on this complaint.

### Account opening process

I would expect Nationwide to take reasonable steps to prevent accounts from being opened for fraudulent purposes, by having robust processes and checks in place in relation to opening new accounts.

From what I've seen, Nationwide have followed its internal processes and completed relevant due diligence checks before opening K's account. They have shared with us the checks they completed, and the information obtained about K. I haven't seen any information obtained during those checks which would've suggested to Nationwide that the account may be later used for fraudulent purposes. So, I'm satisfied that Nationwide acted reasonably in opening K's account.

### The activity on K's account

I've also considered whether Nationwide should've been on notice that K was potentially carrying out fraudulent activity, or had concerns, based on the activity on K's account.

While I can't share the details of what I've seen, I'm not satisfied there was activity on K's account which should've caused Nationwide concern. Mr M's payments and the activity on K's account weren't so unusual and out of character, that I would've expected Nationwide to have intervened. So, I'm not persuaded that they missed an opportunity to prevent Mr M's loss.

### Did Nationwide act responsibly once made aware of Mr M's scam claim?

When Nationwide is notified that an account has received a credit resulting from an APP scam, I'd expect it to take appropriate action in a timely manner. This includes blocking or restricting the account while it investigates and, where appropriate, returning any funds that remain.

Unfortunately, by the time Mr M reported the fraud, his funds had already been removed from K's account. So, no funds could've been recovered.

Mr M has referred to K receiving funds relating to investment with no regulatory approval. However, there was no reason for Nationwide to believe that Mr M's payment related to an

investment. Also, it's worth noting that Mr M said he was helping K with emergency business costs, not making a regulated investment through K.

I'm really sorry to disappoint Mr M as he's lost a significant amount of money which has seriously impacted his wellbeing and caused him serious financial difficulties. But I'm not satisfied that I can fairly hold Nationwide liable as the receiving bank or ask them to refund him.

### **My final decision**

My final decision is that I don't intend to uphold this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 December 2025.

Lisa Lowe  
**Ombudsman**