

The complaint

Mr L is unhappy Nationwide Building Society ('Nationwide') won't reimburse him the money he lost when he fell victim to what he believes was an authorised push payment ('APP') scam.

What happened

Mr L explained that he met a friend in a pub and asked about the watch he was wearing. Mr L says his friend explained that he sells watches, and he could place an order. Mr L says they agreed a price of £3,400 and he made a payment to his friend for that amount on 19 December 2024. Mr L has explained his friend provided various excuses and then became unresponsive.

Mr L reported the matter to Nationwide. Nationwide declined reimbursing Mr L. It noted that the beneficiary account Mr L had paid was in fact a family member. Nationwide says it advised Mr L of this and that it didn't receive a plausible explanation in response. So, as a result, Nationwide deemed there had been no evidence of fraud demonstrated in relation to the payment Mr L made. It considered the matter was a civil dispute between Mr L and the beneficiary. It also closed Mr L's account in January 2025 advising this was due to Mr L's behaviour when interacting with its staff.

Unhappy with Nationwide's response, Mr L referred the matter to our service. Our Investigator looked into the complaint and didn't recommend the complaint be upheld.

As Mr L disagreed, and as the matter hasn't been resolved, it's been passed to me to decide.

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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

The Faster Payment Scheme and CHAPS – Reimbursement Rules ('Reimbursement Rules')

The Reimbursement Rules, which came into force on 7 October 2024 and apply to all UK-based payment service providers, put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme. However, the Reimbursement Rules don't apply to all faster payments. The rules have limits on what payments will be covered, and those limits are set out in the wording of the Reimbursement Rules.

The rules state:

"...It must have been made as part of an APP scam (whether to a recipient or for a purpose other than the payer intended);"

An APP scam is defined 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 recipient is not who the Consumer intended to pay, or*
- The payment is not for the purpose the Consumer intended."*

Private civil disputes are also not covered by the Reimbursement Rules. The term private civil dispute is defined in the rules 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."

So, of relevance here is whether what happened to Mr L can be considered an APP scam in line with the Reimbursement Rules' definition, or whether the matter is likely a civil matter.

Here Mr L told Nationwide he made the payment for the order and purchase of a watch from a friend. This appears to be inaccurate. Mr L didn't pay his friend; he made the payment to an account in a family members name – which he clearly would have been aware of when making the payment. When Nationwide spoke with Mr L and informed him of this, Mr L then advised Nationwide that he was told to pay his sister. So, Mr L hadn't provided Nationwide with accurate information at the time he reported the matter, and he didn't provide a plausible explanation subsequently either.

In short, Mr L hasn't been forthcoming as to what happened, nor has he provided any evidence to either Nationwide or this service to demonstrate he has been the victim of an APP scam – as defined above. Mr L also hasn't provided any plausible testimony as to why, if the payment was indeed for a watch, it required him paying his family member. Ultimately, the evidence available shows Mr L made a payment to a family member. So, I can only reasonably conclude the matter is a civil dispute between him and that family member.

As a result, I'm therefore satisfied that Nationwide acted fairly in its answering of the complaint, and it isn't liable to reimburse Mr L under the Reimbursement Rules or otherwise.

Nationwide closed Mr L's account explaining this was due to his behaviour towards its staff and it informed Mr L of its decision to close the account. Having reviewed the terms and conditions of the account, it is entitled to do so in such circumstances. So, I can't say it acted unfairly or unreasonably here.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 10 April 2026.

Matthew Horner
Ombudsman