

The complaint

Mr C complains that Nationwide Building Society (“Nationwide”) won’t refund him money, which he believes he has lost to a scam.

What happened

The background to this complaint is well known to all parties, so I won’t repeat it all in detail here. But in summary, I understand it to be as follows.

In or around February 2025, Mr C was looking to purchase a silver grill mouth mould. He found a jeweller on a well-known social media platform, who I’ll refer to as “C”. After exchanging messages and speaking to them about what he wanted, Mr C decided to go ahead and sent two payments to C, totalling £260, from the account he holds with Nationwide.

C sent Mr C a moulding kit, which he returned after making a mould of his teeth. Mr C subsequently received the silver grills from C but, unfortunately, they didn’t fit properly. Mr C contacted C and arranged to visit their offices. C looked at the grills, but were unable to adjust them, so it agreed to make a new set for Mr C. But he hasn’t received the new mould, despite C saying they’d sent it and he has said that C has now blocked him.

Mr C raised the matter with Nationwide, but it did not consider it was liable for Mr C’s loss. In summary, this was because it thought what had happened was a civil matter.

Unhappy with Nationwide’s response, Mr C brought his complaint to this service. One of our Investigators looked into things. But they agreed with Nationwide that this was most likely a civil dispute, and so Mr C was not entitled to a refund of the payments he had made.

Mr C didn’t agree with our Investigator’s view, in summary he maintained that he’d been scammed. As agreement couldn’t be reached the complaint has been passed to me for a final decision.

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 and having thought very carefully about Nationwide’s actions, I agree with the findings set out by our Investigator. I do appreciate how disappointing this will be for Mr C but, whilst I’m sorry to hear of what’s happened, I don’t think I can fairly hold Nationwide liable for his loss.

When considering what is fair and reasonable in this case, I’ve thought about the relevant rules that were in place at the time these disputed payments were made. From 7 October 2024, Payment Services Providers in the UK, like Nationwide, have been bound by the Faster Payments Scheme (FPS) and the CHAPS reimbursement rules (“reimbursement

rules”). Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but “private civil disputes” are not covered.

I've therefore considered whether what has happened between Mr C and C meets the Reimbursement Rules' definition of an APP scam or could more reasonably be classed as a civil dispute. 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 recipient is not who the consumer intended to pay, or*
- *The payment is not for the purpose the consumer intended”*

By contrast, a private civil dispute is defined 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, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing. Having thought about this carefully, I'm not satisfied that Mr C's payments are covered by the Reimbursement Rules. I'll explain why.

There is no dispute here that Mr C paid the person he intended on paying so the first part of the APP scam definition doesn't apply here. I've therefore gone on to consider whether, as a result of dishonesty, these payments were made for a purpose other than Mr C intended.

The allegation of fraud is a serious one. While I can reach my findings on the balance of probabilities (rather than beyond all reasonable doubt for example), to find C did intend to defraud Mr C, I'd need to see convincing evidence to show fraud is the most likely explanation over any other possibility.

Mr C's purpose for the payment was to purchase a silver grill, and while I appreciate that the items he paid for were not suitable as the grill didn't fit, the evidence I've seen suggests that C was more likely than not a legitimate business, which intended to provide the service Mr C had paid for.

I say that as Mr C did initially receive a silver grill. So, while I understand the grill didn't fit properly, it can't fairly be said that C has shown, from the outset an intent to defraud.

In the individual circumstances of this case, there are also a number of other factors that aren't typically seen in scams. I say that as the evidence I've seen shows that C did stay in communication with Mr C, at least for a time, after the issues with the grills became known and offered an alternative solution (to make a new grill), albeit I understand that this didn't materialise. This is not usual in the case of scams, where more often than not, on receipt of a victim's money, a fraudster won't send anything at all and will then no longer be contactable.

Alongside this, at the time the payments were made, C was registered on Companies House. As well as this, while I can't go into specific details due to protection laws, information from the beneficiary bank (the bank to which the money was sent), doesn't indicate that there were any concerns with how the account was being run. I've seen that the activity on the beneficiary account is also consistent with a company involved in the jewellery

business. Which further supports that C was a legitimate firm providing a service that is in line with what the purpose of Mr C's payments were intended for.

Furthermore, I'm conscious C did have premises, and it appears they were operating as a genuine jewellery business, which Mr C had visited. All of this makes it appear likely the company was providing legitimate services.

I acknowledge that Mr C did not ultimately receive what he had paid for, but there are many reasons, other than fraud, why a legitimate business may fail to meet its commitments. A business may act unprofessionally but still be carrying out legitimate business, or it may get into financial or personal difficulties that mean it is unable to meet its obligations to customers. And this service isn't in a position to forensically analyse C's actions here; we must consider the evidence that is before us.

Having thought very carefully about all that Mr C has said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty, based on what I know and what the evidence shows, that C set out with an intent to defraud Mr C, or did not intend to fulfil the purpose it agreed with Mr C for the transactions.

I know this will be a huge disappointment to Mr C, and I appreciate how strongly he feels about this case. But for the reasons I've explained above, I do not consider that it was unreasonable for Nationwide to decline Mr C's claim under the relevant Reimbursement Rules.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 April 2026.

Stephen Wise
Ombudsman