

The complaint

Mrs C complains that Nationwide Building Society won't refund the money she lost to an investment scam. Mrs C is represented in this complaint, but I'll refer to her as it's her complaint.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mrs C has explained that she has several health conditions which include short-term memory difficulties and high blood pressure. Also, prior to the scam, she was struggling emotionally with the sad loss of a close family member followed by her pet.

Mrs C saw an advert for crypto trades on an online social networking service and she called the (scam) Company C and had a call with a representative (Person X). She found him to be persistent, calling her several times a day, and he persuaded her to start investing in small crypto trades.

X also persuaded Mrs C that she could get returns of £5,000 per month and he helped her to download software (which allowed him access to her device(s)) and set up crypto accounts so she could trade.

Mrs C was shown fake real time returns, stock tickers tracking real market movements and her deposits loaded onto a platform which encouraged her to believe the investment was genuine and to further invest. Also, X and Company C's website appeared professional.

Mrs C made the following seven payments to four companies, which make crypto payments, from her Nationwide account so she could pay the fake company.

Payment Number	Date	Payment Type	Payee	Amount
1	8/5/24	Faster Payment	Mrs Cs account with Company C	£4,800
2	7/6/24	Faster Payment	Mrs Cs account with Company K	£5,000
3	11/6/24	Faster Payment	Mrs Cs account with Company M	£1,000
4	20/6/24	Faster Payment	Mrs Cs account with Company CB	£2,000
5	25/6/24	Faster Payment	Mrs Cs account with Company CB	£5,000
6	18/7/24	Faster Payment	Mrs Cs account with Company CB	£5,000
7	24/7/24	Faster Payment	Mrs Cs account with Company CB	£5,000
Total				£27,800

It's unclear how and when Mrs C realised, she'd been scammed. Although she says she had '*no contact since 6th November 2024, despite many requests for him to contact me*', her scam evidence contains dialogue (about '*returning funds*') dated February 2025. Also, I've

seen another complaint to Nationwide about their service when, in June 2025, she was falsely led to believe she was receiving a payment of EUR68,000, which may be connected. In addition, the complaint to Nationwide is dated March 2025.

In her complaint to Nationwide, claiming a refund of her loss and interest, Mrs C said she thought a more robust intervention would've prevented further loss to the scammers especially as:

- She was expecting unrealistic returns on her investment.
- The scammer was offering financial advice without the regulation or authority to do so.
- Open and probing questioning could've identified that she was vulnerable.
- The fraudster claimed to be a genuine company but was neither authorised nor regulated to operate in the UK and a quick check of the FCA register would've exposed the scam.
- The fraudsters requested they download a third-party app, allowing remote access to their device(s), which a legitimate firm would not do.

Nationwide rejected Mrs C's claim. They said:

- Mrs C '*provided false information, and/or withheld information, meaning it would not have been possible for us to uncover the scam*'.
- '*It stands to reason that even if we had asked further questions to Mrs C during this call, we would have been met with further withheld information and/or false information as to the purpose of the transaction, so we feel there is nothing further we could have done to prevent the scam on this occasion*'.

Mrs C disagreed and brought her complaint to our service. But our investigator couldn't see that Nationwide had made any errors.

As Mrs C remains dissatisfied her complaint has been passed to me to look at.

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, my decision is not to uphold this complaint, and I'll explain why.

I should first say that:

- I'm very sorry to hear that Mrs C has been the victim of this cruel scam and lost a significant amount of money here.
- In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on balance of probabilities.
- Although Nationwide is a signatory of the Lending Standards Board's Contingent Reimbursement Model (the CRM Code) which requires firms to reimburse customers who have been the victim of a scam in most circumstances, I'm satisfied this code doesn't apply here. This is because the payments went to another account in Mrs C's name and crypto payments aren't covered.
- Regarding efforts to recover Mrs C's loss. As the payments to the scammer were to a crypto exchange and then onto the scammer, I don't think Nationwide could've been

expected to recover the funds.

- The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.

PSR

Under the PSR and in accordance with general banking terms and conditions, banks and building societies should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mrs C made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a building society should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Building Societies do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Nationwide should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have systems in place to look for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks and building societies are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023 Nationwide had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Nationwide was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, look out for signs of vulnerability.

Although Mrs C has provided information on her vulnerabilities, which I empathise with, she hasn't provided any evidence that, prior to this scam in 2024, she'd made Nationwide aware of this and discussed the risks and any helpful mitigation with them. Also, Nationwide have confirmed they have no records.

In addition, having listened carefully to the 8 May 2024 intervention call the agent asked Mrs C if there were any personal circumstances that may affect her decision making and she quickly said 'no'. Also, throughout the call her comments, tone and pitch were calm and positive and, as she also didn't mention anything about vulnerabilities, I'm not persuaded that the agents should've probed further.

Mrs C confirmed that there had been an intervention and Nationwide have provided evidence of two human intervention calls which appear to be because they knew crypto

payments had an elevated risk. These interventions were prior to releasing payment 1 on 8 May 2024 and prior to releasing further payments after 15 May 2024.

So, I considered:

Whether Nationwide's interventions were effective or whether they should've done more including implementing further human interventions on later payments?

I should first say an intervention shouldn't be an interrogation; it should be suitable questions designed to unearth a potential scam and establish if the customer is at risk of financial harm.

On the first intervention call, which I think was at the right point to check Mrs C wasn't at risk of financial harm, due to it being a large payment to a crypto company and the FCA having commented on the high risk (due to volatility and fraud and scams), I found the agent did ask a number of probing questions.

At the start of the call, the agent told Mrs C that:

- *'Only a fraudster would ask you to lie, therefore it is your responsibility to be completely honest and tell us the true reason of the payment. Failure to do so may result in us not being able to protect you and your Money from potential financial loss'.*

Unfortunately, despite saying this, I found that upon the first probing question about the reason for the payment Mrs C wasn't truthful. She said she was trialling crypto payments guided by a friend and when the agent immediately probed who this was and how long she had known the friend for and what research she had done, in a very assured way, Mrs C said they were a neighbour and explained that she known him for two years and she was being guided by him. And she made out that she had very limited knowledge of crypto.

As Mrs C has only provided partial dialogue of her interaction with the scammer, it isn't possible to know if she was coached to give this cover story or if she was worried that telling the truth would risk her investment.

The agent asked more questions about what crypto coin she was buying and the type of wallet she had so she could make withdrawals, but Mrs C continued with this story and made out her vague answers were because she was being helped to a high degree by her friend and neighbour. The agent checked if any third parties had contacted her, but Mrs C confidently said 'no'.

Unfortunately, Mrs C didn't take note of what the agent had said at the start of the call, about the importance of being truthful, and due to her cover story and the assured way she spoke I don't think any questions would've detected the scam. Also, a week later on the second call, she received the same warning and continued with the same cover story.

I do think the first call could've been better. This is because it lacked information and education on crypto scams. However, this was included in the second call and when the agent told Mrs C about scams where *'it turned out someone else had access to the (crypto) account and people were losing a lot of money'* although she did sound thoughtful, she dismissed this and then when probed if someone else had access to her wallet, she said 'no'. Also, when probed again about the neighbour or any third-party involvement, again in a very assured way, she said no one had access to her wallet.

Having listened to these two calls, which I think were effective when combined, I'm in agreement with Nationwide's comment that Mrs C's decision to be untruthful in her answers prevented them from unravelling or stopping the scam. Although Mrs C did sound vague in parts of the first call, considering the story she gave, I don't think it would've been reasonable for Nationwide to have blocked payment 1 or 2.

As Mrs C made seven payments in total, I looked at these to see if Nationwide should've put in place further interventions. As Nationwide had two effective calls with her, the payments were established, the subsequent payments were spaced out over a two-month period and the difficult balance Nationwide have to strike when deciding whether to release or intervene payment, I don't think further interventions were warranted.

Even if there were further interventions, based on the evidence of the two calls and she was led to believe her profits were growing substantially, I think it more likely than not that Mrs C would've continued with her stance of disregarding Nationwide's advice and warnings and not being truthful.

I realise this decision will come as a disappointment to Mrs C and I'm genuinely very sorry she has lost a significant amount of money in this cruel scam. But, as I don't think Nationwide could've prevented her loss, I won't be upholding this complaint and requiring Nationwide to make a refund.

My final decision

For the reasons mentioned above, my final decision is that I'm not upholding this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 26 December 2025.

Paul Douglas
Ombudsman