

The complaint

Mr B complains Nationwide Building Society hasn't adequately compensated him for the loss he incurred when he fell victim to a scam.

What happened

Mr B was approached about a property development investment opportunity with a company, "C", and decided to proceed after completing some research. Mr B sent C £13,500 in May 2024 to invest in a unit which he understood C would be renovating and renting out as social housing through councils and housing authorities they held contracts with.

The expected returns (of £600 per month) were paid from August-October 2024 but then stopped. Mr B said he was notified that C had been operating a scam and they stopped responding to him. He then complained to Nationwide (supported by a professional representative) that he should be refunded in line with the terms of the Contingent Reimbursement Model (CRM) code – under which victims of Authorised Push Payment (APP) scams are generally entitled to reimbursement.

Nationwide didn't agree to refund Mr B, so he referred the matter to our service. Nationwide initially defended its decision not to reimburse Mr B on the grounds it couldn't determine whether C was a scam due to an ongoing police investigation. But in June 2025, it paid out Mr B's claim for his outstanding loss.

Our investigator recommended Nationwide should pay 8% simple interest per year on top of this refund, running from 15 days after Mr B reported his claim to the date of settlement. He felt Nationwide had sufficient information to determine C were a scam when Mr B first claimed. Nationwide disagreed. It said the refund had only been agreed following further conversations between a financial trade association and the police.

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, I agree with the investigator's conclusions about the interest that should be paid to Mr B. I'll explain why.

It's now accepted that C was operating a scam and that Mr B should be refunded for his loss; this was paid to him in June 2025. So, all that remains for me to decide is whether Nationwide should pay additional interest on top of this.

This comes down to whether it was reasonable for Nationwide to hold off on making a decision until June 2025 – or whether it should have done so when Mr B first contacted it about C in November 2024.

Under the CRM code, firms generally have 15 days to respond to claims. However, there is a provision for them to hold off on reaching an outcome if the case is subject to an investigation by a statutory body – and the outcome might reasonably inform their decision.

While there is an ongoing police investigation into C, Nationwide has ultimately agreed to Mr B's claim prior to this concluding. I think that demonstrates why the outcome of this investigation isn't necessary, nor fair to hold off for, to decide the claim.

Looking particularly at the submissions provided by Mr B's professional representative, I think these provided enough information for Nationwide to determine C were likely a scam and therefore agree to Mr B's claim. This included a lot of persuasive information to demonstrate C were operating a scam – such as confirmation from councils and associations who C claimed to hold contracts with that these claims were false, and details of units which multiple investors had been given contracts for.

I do appreciate the conversations between the police and the trade body may have given more detail about C's operations. But I'd point out the interest were awarding runs from 15 days after the claim was reported, matching the CRM code's usual timeframe for deciding claims. Nationwide could have used this time to request any further details or evidence it considered relevant – such as any further documents from the representative, information from the receiving bank, or checking for any similar claims involving C. I think doing this would likely have provided further information supporting Mr B's claim.

As Nationwide is aware, our service generally awards interest at a rate of 8% simple per year if a firm makes an error which causes the complainant to be deprived of the use of their funds. For the reasons explained above, I do think it was unfair for it to hold off on answering Mr B's claim when it was reported. I therefore agree it should pay Mr B compensatory interest for this delay.

My final decision

For the reasons given above, I uphold this complaint about Nationwide Building Society and direct it to pay 8% simple interest per year on top of the refund it paid Mr B in relation to this matter in June 2025. This should be calculated from 15 days after it received Mr B's claim to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 February 2026.

Rachel Loughlin
Ombudsman