

## **The complaint**

Mr S is unhappy that Nationwide Building Society (“Nationwide”) won't reimburse him the money he sent to a third-party for building works.

## **What happened**

I'm not going to cover all the points raised in detail. The view of 15 August 2025 covered the details of Mr S's testimony. But briefly in late 2024 Mr S used a professional services online marketplace to acquire a trader for minor building work on a property he owns. He was contacted by a company (I will refer to as E in this decision). E told him he needed a new roof. Once work commenced, E found further structural issues incurring further costs to Mr S. Between 7 November 2025 and 19 November 2025 Mr S made five payments totalling £29,000. Mr S says the builder became aggressive. Subsequently he felt he didn't need a new roof and that E's actions amounted to a scam.

Mr S complained to Nationwide that he'd been the victim of a scam. Nationwide said this was a civil dispute between Mr S and the builder.

Mr S bought his complaint to this service. Our investigator did not uphold the complaint. She said the matter was a civil dispute which isn't covered by the new Reimbursement Rules.

Mr S didn't agree. In summary, he said he was deceived into believing his property urgently required a new roof and an independent roofer later confirmed was not the case. Following the initial work Mr S says the trader falsely claimed that there were further structural issues requiring extensive work. He considers his payments totalling £29,000 were made on false claims. He says it was not simply a case of poor workmanship or a contractual disagreement, but deliberate criminal dishonesty.

As the complaint could not be resolved informally it has been passed to me for a 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, I've come to the same outcome as the investigator for broadly the same reasons.

I'm conscious that Mr S has made detailed submissions to us about this complaint. I'd like to reassure him I've considered everything he has submitted carefully – including the detailed response and submissions following the view. If I don't mention a particular point or piece of evidence, that's not because I haven't taken it into account. My findings focus on what I consider to be the central issues, and my role is to reach what I think is a fair and reasonable decision based on the available facts of the case.

I'm sorry to hear about the situation Mr S has been left in. He's paid money for a new roof which he feels wasn't needed and was subject to increased costs mid project. Mr S says it didn't resolve the initial underlying issues he was having.

It's clear that Mr S feels strongly that E tricked him and he now considers that he's been the victim of a scam. From his perspective, the builder deceived him into paying for a roof he didn't need and then for further extensive works. But I don't have the power to decide any dispute between Mr S and the builder or to interrogate the parties or consider their actions.

Nationwide didn't contract with Mr S for the building work, and I can't hold it responsible for any breach of contract or other failings on E's part. As a starting point in law, Mr S is responsible for payments he has instructed Nationwide to make.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where I can't know for certain what has or would have happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

In 2024, the Payment Systems Regulator required the Faster Payments scheme operator (PayUK) to change the Faster Payment Rules to require the firms that operate over Faster Payments to reimburse their customers sums paid as a result of APP (authorised push payment) scams (herein after referred to as the Reimbursement Rules) in certain circumstances. These Rules came into force on 7 October 2024.

In this case, I've first considered whether the Reimbursement Rules and associated guidance issued by the PSR are relevant to the payments in dispute. Where they are relevant, I must have regard to the rules and guidance, as well as considering what is fair and reasonable in all the circumstances of the complaint.

The Reimbursement Rules<sup>1</sup> set out the requirements for a payment to be covered and sets out the features and definition of an APP scam. The Rules specifically 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"*

---

<sup>1</sup> <https://www.wearepay.uk/wp-content/uploads/2024/09/FPS-Reimbursement-Rules-Schedule-4-v3.0.pdf> at paragraphs 3.8-3.10

And the Rules specifically outline that private civil disputes are not covered. 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.”*

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

*“2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act.”*

*2.5 provides an example of when this might apply:*

*“...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.”*

Turning to the definition of an APP scam, Mr S did pay a different company (company A) to the one that produced the contract and came to do the work (company E). Mr S says he understood the two businesses were connected and I can see in the messages he was provided with the bank details for A by E. Although I can't share all the details for data protection reasons, the beneficiary account holder indicated the work had been subcontracted. I don't think this is unusual for this type of work. So, it appears there was a connection between the two companies and Mr S did pay the person he was intending to pay.

So, for Mr S to have been the victim of an APP scam, I would need to be satisfied that the builder was acting fraudulently or dishonestly to deceive Mr S about the *very purpose* for which his payment had been procured.

Here the purpose of the payment (as set out in the contract Mr S signed) was for the builder to carry out various works to the roof. I appreciate Mr S says the builders made false claims and he says the work they carried out didn't need doing but was instead a way to extract more money. But ultimately Mr S's purpose was to have the agreed work carried out and the builder's purpose was to provide that service – so these do match. Mr S did get a replacement roof; his issues instead stem from whether he needed a new roof, the increase in costs mid project and whether the work carried out was of satisfactory quality.

While some of issues Mr S has highlighted might suggest the builder wasn't acting as I might expect a professional builder to do, acting unprofessionally does not mean someone intended to operate a scam. And whilst an investigation in relation to other matters might ultimately show that the builder is of poor character or that he breached other regulations, it does not necessarily show in relation to the specific transactions carried out in this particular case that they were made to an APP scam.

I've thought very carefully about this but, but there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties for a dispute to exist. And unfortunately, businesses (such as E) can fail or be mismanaged such that contracts are breached and agreed goods and services aren't provided. But that doesn't necessarily amount to evidence of an intent to commit an APP scam.

I appreciate Mr S doesn't agree, but Mr S's transactions need to meet the specific definition set out for the Reimbursement Rules to apply – and they don't. And as the issues stem from whether the agreed services were necessary and/or were not of satisfactory standard (something the PSR has specifically said is not covered by the Rules), this is something Mr S would need to pursue with other avenues outside of his bank such as trading standards which I understand he has done.

Overall and on balance I don't find this situation meets the definition of an APP scam as set out in the Reimbursement Rules. For the same reasons the payments aren't covered by Nationwide's Scam Protection Promise. As Nationwide didn't need to consider this as an APP scam then it didn't need to go on to contact the recipient account provider or apply any other considerations under the Reimbursement Rules.

In addition, Nationwide doesn't have any duty or obligation to intervene in payments that are legitimate or to protect its customers from the impact of a bad deal. So, I can't fairly criticise Nationwide for not doing more when Mr S made the payment.

I'm not saying Mr S did anything wrong or that he doesn't have a legitimate grievance against the builder. But I can only look at Nationwide's responsibilities here. Overall, I don't think Nationwide has treated Mr S unfairly when it made the decision not to reimburse Mr S. For the reasons I have explained, I'm satisfied Mr S isn't due a refund under the Reimbursement Rules nor can I see there are other grounds on which I could say that Nationwide should, fairly and reasonably, bear the responsibility for Mr S's building's costs.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 February 2026.

Kathryn Milne  
**Ombudsman**