

The complaint

Mr N complains that Nationwide Building Society ('Nationwide') won't refund money he lost as a result of a scam.

What happened

In and around January/February 2024, Mr N was looking for a part time job in order to earn some passive income. Mr N said he received contact from a company – which I'll refer to as 'O', offering remote work opportunities through product reviews.

Mr N didn't receive a contract for the role and communication was via a well-known messaging app. Mr N was added to a social media group, which he said contained 16 other people and they discussed how they made money. He was also given access to a mentor who provided advice on what to do.

Mr N said after three days, the system informed him that he needed to make a deposit of £2,445 to initiate a withdrawal of the income and profits. Between February and March 2024 Mr N made the following payments (shown in the table below, alongside any withdrawals/credits he received, which he says were re-deposited) from his Nationwide account to two different accounts.

The first, was his own account with an Electronic Money Institution (EMI), which I'll refer to as 'R'. And the second – was also an EMI, which I'll refer to as 'W'. The funds were then transferred onto a cryptocurrency exchange platform, converted to cryptocurrency (here USDT) and transferred on.

For the account with W, Mr N has shared he provided the fraudsters with the details to create an account in his name. He said he had access to W on one occasion and then the fraudsters changed the passwords. He sent the funds to W and the fraudsters then sent the payments onwards as part of the scam.

Mr N explained he was asked to deposit 5,700 USDT to withdraw a profit of 10,000 USDT. He then proceeded to deposit £4,016.80 into the account with W.

Payment number	Date	What shows on R statement	Type of payment and payment to (recipient)	Amount	Withdrawal/credit
1	6/2/2024		Visa Purchase via Apple Pay to R	£34.00	

	8/2/2024	Credited to Mr N's account with R			£57.00 (Mr N says deposited again to clear negative balance)
2	10/2/2024	Show 09/02/24	Visa Purchase via Apple Pay to R	£60.00	
	11/2/2024	Credited to Mr N's account with R			£337.00 (Mr N says deposited again to clear negative balance)
	12/2/2024	Credited to Mr N's account with R			£355.50 (Mr N says deposited again to clear negative balance)
3	12/2/2024		Visa Purchase via Apple Pay to R	£110.00	
4	13/2/2024	12/2/24	Visa Purchase via Apple Pay to R	£315.00	
	14/2/2024				£20.00 bank credit from W.
5	14/2/2024		Visa Purchase via Apple Pay to R	£10.00	
6	14/2/2024	13/2/24	Visa Purchase via Apple Pay to R	£320.00	
7	14/2/2024	13/2/24	Visa Purchase via Apple Pay to R	£1,280.00	
8	15/2/2024		Visa purchase via Apple Pay to W	£20.08	
	19/3/2024				Bank Credit - £4,000
9	20/3/2024		Visa purchase via Apple Pay to W	£2,008.40	
10	20/3/2024		Visa purchase via Apple Pay to W	£2,008.40	
		Total amount sent as part of the scam - £6,165.88			
		Total amount considered by Nationwide when reviewed (removed payments sent to R) - £4,036.88			

He was then instructed to deposit a further 14,512 USDT to be able to withdraw a total of 20,230 USDT. Mr N contacted the customer service department to ask that the deposit amount be released as he didn't have a further 14,512 USDT. The request was refused, and Mr N said the portal access was blocked. He contacted the CEO of O, and he was advised to contact the Police as it appeared the website for O had been cloned.

It was at this point Mr N became aware he'd fallen victim to a scam. Mr N reported the scam to Nationwide in August 2024.

Nationwide didn't think it had done anything wrong. It said that Mr N made several Visa purchases to an account with W. Nationwide didn't agree that it should have intervened on the payments as it didn't think these were unusual for Mr N's account activity. It added that it also believed Mr N didn't have a reasonable basis to believe this was genuine as he received no paperwork or contract, communication was via a known messaging app, and it

didn't think it was plausible that he would have to pay funds to a company in order to receive funds owed for work completed. Unhappy, Mr N referred the matter to this service.

One of our Investigator's considered the complaint. She issued her initial assessment on 29 January 2025. Having done so, she didn't recommend the complaint be upheld. She considered the payments Mr N made under the Contingent Reimbursement Model (CRM Code), which Nationwide was signed up to. In summary, the Investigator thought Nationwide had established that a valid exception to reimbursement applied. She didn't think Mr N had made the payments with a reasonable basis for belief that the payment was for genuine goods or services, and that the person or business with who he transacted with was legitimate.

Our Investigator thought there were several factors that ought to have caused Mr N serious concerns. She added that when considering the payment amounts and the previous account activity, she didn't think a scam risk would've been apparent to Nationwide when he made the payments. She didn't think the values themselves would've stood out as unusual and so didn't think Nationwide needed to provide an effective warning or contact Mr N about the payments.

She also noted that the payments were made in March 2024, and the scam was reported to Nationwide in August 2024. She also acknowledged that Mr N said the payments were made to an account in his own name, from which the fraudster sent the funds onwards. With this in mind, she didn't think it more likely than not that any funds would've remained to be recovered.

Mr N disagreed with the Investigator's view and asked for an ombudsman's review.

Whilst the case was progressing for an ombudsman's review, it came to light that the payments Mr N made in March 2024 were via Apple Pay – and so, were card payments. Following this, our Investigator reconsidered the complaint under the relevant considerations and issued a subsequent view on 5 September 2025. She explained that as the payments were made using Apple Pay, which meant the payments were card payments, these fell outside of the scope of the CRM Code. Having considered the payments under the relevant considerations, her outcome remained unchanged – she didn't think the complaint should be upheld. She remained of the view that the payments didn't carry a heightened risk of financial harm from fraud at the time. Looking at the previous account activity, she said payments of similar or greater value were made and so she didn't think the scam payments stood out as unusual. She acknowledged there was an occasion where two payments were made on the same day but felt that had a third payment, or had the payments been of a higher or increasing value, then she might have thought differently, but here she didn't think the two payments were a cause for concern.

Overall, our Investigator, didn't think the payments presented a fraud pattern or indicated that Mr N was at risk of financial harm and so she didn't think Nationwide needed to provide an effective warning or contact him about the payments.

I issued a provisional decision on this case on 5 November 2025, setting out that I upheld the complaint in part. In brief, I thought by payment 10 Nationwide ought to have had some concerns and provided a warning – had it done so, I thought the scam would've unravelled. This said, I also set out why I thought Mr N should share equal responsibility. Because of this, I recommended Nationwide reimburse 50% of payment 10, along with 8% simple interest.

Nationwide responded accepting my provisional decision. It agreed to refund Mr N £1,004.20 and pay 8% simple compensatory interest on this amount from the date of loss until the date

of settlement. It said it would arrange payment of this upon receipt of Mr N's acceptance. Nationwide added that this offer is made on the basis that Mr N has fully and accurately disclosed the extent of his loss, including any other scam recovery received at the point of this offer.

Nationwide notes that it is entitled to re-debit some or all of the reimbursement payment if it transpires that the scam loss has been overstated by Mr N, including instances where Mr N has received a recovery from elsewhere which (taken together with the payment from Nationwide) means recovery is in excess of the scam loss.

Mr N responded to my provisional decision. In summary, he said he accepted my finding that Nationwide should have intervened and that a 50% refund is appropriate. However, Mr N feels the 50% redress should be applied to all the scam payments.

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.

In my provisional decision I explained the following:

"I've thought about the CRM Code which can offer a potential means of obtaining a refund following Authorised Push Payment (APP) scams. But the CRM Code doesn't apply to payments made by debit card, or to payments made to another account in the customer's own name. The payments subject to this complaint were made, via Apple Pay – so debit card payments and the funds were sent to accounts with R and W in Mr N's own name. This means the CRM Code doesn't apply in this case.

It is not disputed that Mr N authorised the payments. For completeness, I note Mr N has said that the fraudsters had control of the account with W, but he has also shared that he provided the information needed to open the account in his name with W and that he did have access to this account on at least one occasion. I'm satisfied Mr N was aware he was sending the funds to accounts with R and W. He is therefore presumed liable for the loss in the first instance. However, in line with longstanding regulatory expectations and good industry practice, Nationwide should have been alert to the possibility of fraud and made additional checks before processing payments in certain circumstances.

From everything I've seen, it appears Nationwide removed the payments Mr N sent to the account with R. This seems to be on the basis that it is not responsible for losses following a "me-to-me" transfer—where funds are moved into an account in the consumer's name and control before being lost to a scam. However, Nationwide is well aware of our position on multi-stage scams. It is for the purpose of setting out what has happened in this particular case that I have included those payments in the table above.

A key issue for me to decide is whether Nationwide ought to have recognised that Mr N was at risk of financial harm from fraud.

Should Nationwide have fairly and reasonably made further enquiries before it processed Mr N's payments?

To decide this, I've reviewed the activity on Mr N's account statements, from which the payments were made, for the months leading up to the scam. This is often a finely balanced matter, and Nationwide has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud.

Having carefully considered the payments Mr N made to R as part of the scam (payments 1 to 7) I can't, on balance, fairly and reasonably say they were so unusual or suspicious that they ought to have alerted Nationwide that Mr N might be at risk of financial harm. There was several days between payments one and two and while I do recognise the frequency of payments increased, the payment amounts were low in value that I don't think they ought to have stood out.

However, there were elements here of a pattern starting to emerge – Payment 8 was to a new payee and after payment 8, there was an increasing payment amount for payments 9 and 10 – with these two payments being made on the same day - 20 March 2024. With this in mind, I'm currently minded to say that when Mr N made the second payment (10) of £2,008.40 that Nationwide ought reasonably to have had some concerns and made further enquiries before allowing the payment to be processed.

When looking at the previous account activity, with consideration given to the payments Mr N made as part of this scam to R, while Mr N appears to use Apple Pay as a method of payment regularly, this seems to be used to make payments for lesser amounts. I do recognise that one-off higher card payments are not unusual to see on a customer's account from time to time, but I do think that when the second card payment which was for the same amount as had been sent shortly previously, it ought fairly and reasonably have led to Nationwide being alive to the potential sequence here which carried the hallmarks of the scam type Mr N fell victim to – a job scam. Further, a £4,000 credit was received into the account prior to the payments made to W.

Given the above, I'm persuaded payment 10 carried a heightened risk of fraud that merited intervention. I've gone on to think about what a proportionate warning in light of the risk presented would be in these circumstances. The FCA's Consumer Duty was in force at the time this payment was made and I'm mindful that firms like Nationwide have had warnings in place for some time and, that it has developed those warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.

It follows, I think that in March 2024, when payment 10 took place, Nationwide ought to have provided a warning that sought further information about the nature of the payment to enable it to provide more tailored warnings.

In this case, Nationwide knew that payment 10 was being made to an EMI – W – and given known patterns of multi-stage scams – I think Nationwide's warning ought to have included questions to establish the actual scam risk.

By March 2024, given the prevalence of job/task scams, I'd expect a firm to have both questions and warnings tailored towards the key risks of those scams. So, I think it's fair and reasonable to have expected Nationwide at this point to have given Mr N a tailored warning around these types of scams, covering off the key features.

There's no evidence to suggest Mr N wouldn't have been honest with Nationwide or wouldn't have heeded its warnings. I say this because, based on intervention I've seen from another payment service provider, Mr N answered that he was buying cryptocurrency/stocks. I think that had a warning been provided by Nationwide, it would've given the perspective Mr N needed and would've highlighted the key features of a job/task scam. In the circumstances, I think the scam would've unravelled.

So, all things considered, I'm currently persuaded that it is the case that, for payment 10, Mr N's loss was both reasonably foreseeable to Nationwide and that it could have been

prevented.

Did Mr N act reasonably in the circumstances?

I've considered what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. Having done so, I think Mr N should bear equal responsibility for his loss.

There were some factors that would have added to Mr N's belief that the payment was being made in connection with a legitimate employment opportunity – such as, he was given access to a platform with O, he was also added to a group chat, and he was able to successfully make three withdrawals (albeit Mr N says he redeposited these amounts). However, I'm not persuaded that belief was a reasonable one.

There was no formalisation of the arrangement between him and the employer – for example, there was no written contract and indeed no clear setting out of the terms of his employment.

In addition to that, the arrangement was an inversion of the normal employer-employee relationship. In most circumstances, people expect to be paid by their employer, rather than the other way around. And I've not seen anything so far that there was any explanation to explain this uncommon arrangement.

Overall, I think it's fair and reasonable for Nationwide to make a 50% deduction from the redress payable to him.

Recovering Mr N's money

I've also thought about whether Nationwide could have done more to attempt to recover the payment after Mr N reported the fraud. However, as part of the scam, Mr N has explained that the funds from the account with W were transferred onto a cryptocurrency exchange platform, and the funds were converted into cryptocurrency and sent on to the fraudsters. So once that had occurred, there was then no money to recover.

I also don't consider Nationwide ought to have attempted a chargeback claim in this case, given Mr N made the payment to an account in his own name.

Putting things right

For reasons explained above, Nationwide Building Society should now:

- Refund Mr N £1,004.20 (being 50% of £2,008.40 - the value of payment 10 made to the fraudster).*
- Pay 8% simple interest per year on this amount, calculated from the date of loss until the date of settlement, minus any applicable tax."*

Nationwide has responded and accepted my provisional findings. I've thought about what it has said about the offer - that if Mr N does receive reimbursement elsewhere that it is entitled to re-debit some or all of the reimbursement payment if it transpires that the scam loss has been overstated, including instances where Mr N has received a recovery from elsewhere which (taken together with the payment from Nationwide) means recovery is in excess of the scam loss – and, I don't find this unreasonable. Within our approach at the Financial Ombudsman Service, when looking into complaints, we look to place a consumer back into the position they would've been in and so, in the unlikely event that recovery is

received from elsewhere that results in betterment, I don't think Nationwide's position is unreasonable.

Now I will turn my attention to Mr N's comments.

I appreciate Mr N taking the time to respond to my provisional decision, and I can understand his strength of feeling about this matter and why he wants to recover as much of his funds as possible.

Mr N, in his response to my provisional decision, says he accepts a 50% refund is appropriate but believes Nationwide should have intervened earlier and so he should get 50% redress for all the scam payments. Mr N adds that the earlier payments were part of the same continuous pattern and feels that had Nationwide intervened at any point throughout the sequence of payments, the entire loss would have been prevented.

Mr N says that if he is to be considered 50% responsible, fairness dictates that this percentage applies to his total loss and not just to a single transaction.

I'd like to assure Mr N that I've thought carefully about everything he has said, and whilst I acknowledge this will come as a disappointment to him, I see no reason to depart from my findings as set out in my provisional decision.

Within my provisional decision I set out in detail why I was persuaded that Nationwide ought reasonably to have had some concerns when Mr N made the second payment (payment 10) of £2,008.40. I explained that I think Nationwide ought to have made further enquiries before allowing payment 10 to be processed. For clarity, I haven't made a finding that Nationwide ought to have intervened before payment 10.

For all the reasons I've already set out within my provisional decision (copied above), I think it's fair and reasonable to have expected Nationwide, at the point of Mr N making payment 10, to have given him a tailored warning around these types of scams, covering off the key features. And I'm satisfied that it is the case that, for payment 10, Mr N's loss was both reasonably foreseeable to Nationwide and that it could have been prevented.

For completeness, it remains that I think Mr N should bear equal responsibility for his loss and that it's fair and reasonable for Nationwide to make a 50% deduction from the redress payable to him.

With all this in mind, I won't be changing my findings as set out in my provisional decision.

Putting things right

For reasons explained above, Nationwide Building Society should now:

- Refund Mr N £1,004.20 (being 50% of £2,008.40 - the value of payment 10 made to the fraudster).
- Pay 8% simple interest per year on this amount, calculated from the date of loss until the date of settlement, minus any applicable tax.

My final decision

My final decision is that I uphold this complaint in part against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 30 December 2025.

Staci Rowland
Ombudsman