

The complaint

Mr A complains that Nationwide Building Society unfairly refuses to refund him money he lost in a scam.

What happened

The circumstances surrounding this complaint are well known to both parties, so I haven't repeated them in detail here. Instead, I've summarised what I consider to be the key points.

Mr A says he was contacted unexpectedly, on 30 July 2025, by someone purporting to be from an online retailer with which he had an account. They told him his account had been compromised, and someone was attempting to buy goods using his details.

He was persuaded to download remote access software and to download an application for a money remittance service. He was told to make a payment from his bank account to an account set up with the money remittance service. Mr A made one payment of £1,498 to the account with the money remittance service, using his debit card. From there, he was told to send the money on to another account, in the belief that he would be sending the money back to his Nationwide account.

He didn't receive any money back into his Nationwide account and was asked to make another payment. It was at this point he became suspicious and contacted Nationwide. The scam was then uncovered. Mr A asked Nationwide to block the payment, which was showing as a pending payment, but it went ahead.

Mr A complains that Nationwide should have intervened and stopped the payment. He considers the payment was unusual for his account, as it was a large payment to a new payee and previous high-value payments had been made to regular payees, such as his mortgage provider, credit card account and other accounts belonging to him. He thinks the payment should have been flagged by Nationwide's systems and if it had been, the scam would have been prevented.

Nationwide says the payment isn't covered by the APP scam reimbursement (ASR) rules because they don't apply to debit card payments. The payment didn't flag on its systems, and it doesn't think it made an error by not questioning this payment. It says it couldn't stop the payment once Mr A had authorised it, but it doesn't think it made this clear when it spoke to Mr A on 30 July 2025 and so it has credited £75 to his account to compensate for that error.

Our Investigator didn't uphold Mr A's complaint. He wasn't persuaded the payment was out of the ordinary, to the extent Nationwide should have questioned it, so he didn't think Nationwide had missed a reasonable opportunity to prevent Mr A's loss. The Investigator said Nationwide didn't have any reasonable prospect of being able to recover Mr A's money once the payment had been made. Under the card scheme rules, it was possible to raise a chargeback claim on a disputed payment, but the circumstances in which a claim could be raised were limited. In this case, Mr A had made a card payment to a money remittance service which had correctly credited an account there and the credited funds had then been

unwittingly moved on by Mr A to the scammer. In those circumstances, there was no possibility of making a successful chargeback claim to the legitimate money remittance service that had received the money and credited Mr A's account with it.

Mr A didn't accept the Investigator's assessment. He said he'd been coerced into making the payment and it was important to bear in mind that he had made the payment unwittingly. He says if Nationwide is compensating him for making an error, it leaves him with little confidence that other procedures were correctly followed. The payments were unusual, given the payment destination and amount and so Nationwide should have intervened.

As Mr A didn't accept the Investigator's assessment, his complaint has been passed to me for an ombudsman's 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'm not upholding Mr A's complaint. While I understand this will come as a disappointment to Mr A and I am conscious that he has been the victim of a cruel and distressing scam, I'm not persuaded that I can fairly conclude that Nationwide is responsible for his losses. I'll explain why.

In broad terms, the starting position is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the accounts terms and conditions and with the Payment Services Regulations (PSRs). It isn't in dispute that Mr A authorised this payment, even though he was tricked into doing so. Nationwide had an obligation to process the payment, but that isn't the end of the story.

The ASR rules don't apply here. The rules don't apply where payments are made between two accounts controlled by the same customer, or where payments were made by debit card. Since the payment was made by debit card to Mr A's account with a money remittance service, it doesn't fall within the scope of the rules.

But, taking into account the regulator's rules and guidance; relevant codes of practice, along with what I consider to have been good industry practice at the time, I consider Nationwide should have fairly and reasonably been on the lookout for the possibility of Authorised Push Payments scams (amongst other things) at the time, and intervened if there were clear indications its customer might be at risk.

Nationwide has a difficult balance to strike in how it configures its systems to detect unusual activity that might indicate its customers are at a higher risk of fraud. It would not be reasonable or possible for Nationwide to intervene in every transaction it processes. I would expect intervention to be proportionate to the circumstances of the transaction.

In this case, the payment was a relatively small amount and Mr A had made larger payments in the past, so that wouldn't have been a particularly concerning feature. The payee was new and was a money remittance service, and I accept that most of the larger payments Mr A had made were to regular payees, such as his mortgage provider or credit card company. But a one-off payment made to a money remittance service wouldn't have appeared particularly suspicious and there was no wider pattern of suspicious transactions here. On balance, I'm not persuaded there were sufficient grounds for me to conclude that Nationwide ought to have taken further action and blocked or questioned this payment.

I also agree with the Investigator that there wasn't a reasonable chance of Nationwide being

able to recover Mr A's money. Nationwide would have had to raise a chargeback claim with the money remittance service, but it seems the transaction had been completed successfully, with Mr A's card payment crediting his account with the money remittance service, which he then used to send money on to the scammers. Essentially, the payment was completed correctly in accordance with Mr A's intentions and instructions, and he only lost control of the money when he sent it onwards from the money remittance service.

I've considered Mr A's comment that he can't be confident Nationwide followed its procedures as it says it gave him incorrect information about his payment when he asked Nationwide to cancel it. But there is no evidence Nationwide failed to follow its usual procedures here. For the reasons given above, I wouldn't have expected this payment to have been flagged as a suspicious payment. And I don't think a conversation with a member of staff where they perhaps weren't as clear as they could be, is indicative of a wider failure in Nationwide's procedures.

While I am sorry Mr A has been the victim of a scam and has lost money, for the reasons given above, I'm not persuaded Nationwide is responsible for Mr A's loss.

My final decision

I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 March 2026.

Greg Barham
Ombudsman