

The complaint

Mr R complains that Nationwide Building Society won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In June 2025, Mr R was looking to buy a car and found one he was interested in advertised on an online marketplace. He contacted the seller and, after seeing the car in person and taking it for a test drive, he agreed to buy it. Mr R then made a payment from his Nationwide account to the seller to pay for the car, as set out below:

Date	Amount
13 June 2025	£2,400

Mr R took possession of the car and started driving it back to where he lived but, during this journey, the car broke down. Mr R had to arrange for a mechanic to come and check the car, and they then found a number of significant faults with it. And when he tried to call the seller about these faults, they didn't answer his calls. Mr R then reported the payment he had made to Nationwide as a scam.

Nationwide investigated but said it felt this was a private civil dispute between Mr R and the seller, rather than a scam. It paid Mr R £75 as compensation for misplacing documents he sent it, but didn't agree to refund the payment he had made. Mr R wasn't satisfied with Nationwide's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think the circumstances here met the definition of a scam from the relevant reimbursement rules, so didn't think Nationwide should be required to refund the payment Mr R had made. They also thought the compensation Nationwide had offered was fair. Mr R disagreed with our investigator, so the complaint has been passed to me.

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 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.

The Payment Systems Regulator introduced the APP Scam Reimbursement (ASR) rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain circumstances. However, the rules only apply where the customer has been the victim of an APP scam, which the rules define 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”*

The rules also specifically outline that private civil disputes are not covered. And a 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:

“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.”

It also provided an example of a civil dispute:

“...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.”

Mr R has mentioned several other definitions of a scam when explaining why he feels the circumstances here were a scam. But the definition I must apply to determine whether Nationwide can be held responsible here is the definition from the ASR rules, as set out above.

So in order to determine whether Mr R has been the victim of a scam as defined in the ASR rules, I need to consider whether the payment was made for the purpose he intended and then, if it wasn't, whether this was the result of fraud or dishonesty on the part of the seller.

I've thought very carefully about this, and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is more likely to have happened, based on the evidence I do have.

Usually in a scam involving the purchase of a car, the victim will not receive the car after making a payment for it. But here, Mr R did receive the car he was intending to buy and had ownership and possession of it. So he received the goods the payment was intended to purchase, which suggests both his and the seller's intention for the payment were the same – to pay for the purchase of a car.

I appreciate Mr R feels the condition of the car was misrepresented to him by the seller, as he says it was materially and mechanically different than he understood it was. But I think this more closely resembles a complaint about the quality of goods received or that the goods are defective in some way which, as I explained above, are specifically excluded from the definition of a scam in the ASR rules.

Mr R has also said the seller put him under time pressure to purchase the car after he had test-driven it. But while this might suggest the seller wasn't acting as I might expect a

professional salesperson to do, acting unprofessionally is not the same as intending to operate a scam.

So I'm not persuaded the available evidence is sufficient to safely conclude that the purpose the seller intended for this payment was different than the purpose Mr R intended, or that the payment wasn't made for the purpose Mr R intended. I think both Mr R's and the seller's intended purpose for the payment was the same – to pay for the purchase of a car. While Mr R feels he was misled about the condition of the car, I don't think this meets the definition of a scam from the ASR rules.

And so I think Nationwide has acted reasonably in saying the circumstances here don't meet the definition of a scam from the ASR rules, and in not agreeing to refund the payment Mr R made as a result.

I also don't think there are any other grounds on which it would be fair and reasonable to require Nationwide to refund the payment Mr R made here.

Mr R has sent us details of a medical condition which was affecting him at the time he made this payment, and which he says significantly affected his decision-making ability and made him more susceptible to being misled and exploited. I've considered the evidence he sent us carefully. And my intention isn't to diminish the severity of his condition, and I don't underestimate the impact it has on him. But, as I don't think the circumstances here meet the definition of a scam from the ASR rules, I don't think it would be fair to require Nationwide to apply the principles the rules set out about vulnerable customers here or to refund the payment on the basis any vulnerability Mr R has.

Nationwide has accepted that an error on its part led to it misplacing some documents Mr R sent in while making his claim, and that this led to him having to send in the documents again. It has paid him £75 by way of an apology for this. And I think this is fair and reasonable compensation for the distress and inconvenience this error caused Mr R, so I don't think it would be fair to require Nationwide to pay anything further.

I sympathise with the position Mr R has found himself in and I recognise he has now had to scrap the car as it was not financially viable to keep. I'm also in no way saying he did anything wrong or that he doesn't have a legitimate grievance against the seller. But I can only look at Nationwide's responsibilities and, for the reasons I've explained above, I don't think there are any grounds on which Nationwide can be responsible for refunding the payment he made here.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 March 2026.

Alan Millward
Ombudsman