

The complaint

Mr S complains that Nationwide Building Society (Nationwide) hasn't fully refunded him the money he lost in an investment scam.

Mr S is being represented by a family member, but for ease of reading I'll just refer to Mr S.

What happened

The circumstances surrounding Mr S's 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 S says he was contacted unexpectedly on social media by someone claiming to be the personal assistant of a well-known person. They started exchanging messages and after a short amount of time, she introduced Mr S to the idea of investing in cryptocurrency. Mr S was persuaded to invest and set up an account with the well-known person's trading platform. His account was to be funded by cryptocurrency and so Mr S made payments from his Nationwide account to his account with a cryptocurrency exchange, where it was converted to cryptocurrency and transferred to the investment account. Mr S invested a small amount at first and was able to make a good return within a few days. He says he was able to make a withdrawal from the investment platform back to his Nationwide account. He then made further payments and was able to make some further withdrawals.

When he tried to make another withdrawal in November 2024, various reasons were given about why he couldn't withdraw his money and then he was told he needed to invest additional money before he would be able to make any withdrawals. Some further payments were made, but eventually Mr S realised he had been the victim of a scam.

The following payments and credits were made and received as part of this scam:

Date	Amount	Payment type	Destination
08/07/2024	£300	Faster Payment	Own cryptocurrency account
12/07/2024	£487.57		<i>Credit</i>
13/07/2024	£5,000	Faster payment	Own cryptocurrency account
15/07/2024	£5,000	Faster payment	Own cryptocurrency account
19/07/2024	£5,000	Faster payment	Own cryptocurrency account
20/07/2024	£2,200	Faster payment	Own cryptocurrency account
26/07/2024	£5,000	Faster payment	Own cryptocurrency account
26/07/2024	£5,000	Faster payment	Own cryptocurrency account
26/07/2024	£5,132.52		<i>Credit</i>
13/08/2024	£5,000	Faster payment	Own cryptocurrency account
13/08/2024	£5,000	Faster payment	Own cryptocurrency account
14/08/2024	£5,000	Faster payment	Own cryptocurrency account
15/08/2024	£5,000	Faster payment	Own cryptocurrency account
26/08/2024	£5,000	Faster payment	Own cryptocurrency account
27/08/2024	£5,000	Faster payment	Own cryptocurrency account
23/09/2024	£300	Faster payment	Own cryptocurrency account

26/09/2024	£1,400	Faster payment	Own cryptocurrency account
22/10/2024	£5,000	Faster payment	Own cryptocurrency account
22/10/2024	£5,000	Faster payment	Own cryptocurrency account
23/10/2024	£5,000	Faster payment	Own cryptocurrency account
24/10/2024	£5,000		<i>Credit</i>
25/10/2024	£5,000	Faster payment	Own cryptocurrency account
25/10/2024	£5,000	Faster payment	Own cryptocurrency account
26/10/2024	£5,000	Faster payment	Own cryptocurrency account
28/10/2024	£5,000	Faster payment	Own cryptocurrency account
29/10/2024	£15,922.10		<i>Credit</i>
21/01/2025	£5,000	Faster payment	Own cryptocurrency account
24/01/2024	£5,000	Faster payment	Own cryptocurrency account
24/01/2025	£2,100	Faster payment	Own cryptocurrency account
24/01/2025	£1,500	Faster payment	Own cryptocurrency account
24/03/2025	£5,000	Faster payment	Own cryptocurrency account
25/03/2025	£5,000	Faster payment	Own cryptocurrency account
26/03/2025	£5,000	Faster payment	Own cryptocurrency account
27/03/2025	£5,000	Faster payment	Own cryptocurrency account
28/03/2025	£5,000	Faster payment	Own cryptocurrency account
29/03/2025	£5,000	Faster payment	Own cryptocurrency account
31/03/2025	£5,000	Faster payment	Own cryptocurrency account
31/03/2025	£5,000	Faster payment	Own cryptocurrency account
01/04/2025	£5,000	Faster payment	Own cryptocurrency account
02/04/2025	£3,500	Faster payment	Own cryptocurrency account

Mr S reported the scam to Nationwide and it refunded part of his loss, amounting to £64,972.69.

Mr S says Nationwide didn't do enough to protect him. He only recalls being called once about a payment, towards the start of the payments and the caller didn't go into detail about how investments scams worked. These transactions were unusual for his account, in terms and size and how often payments were made and Nationwide ought to have suspected fraud. He says Nationwide has accepted that it should have done more but hasn't even refunded half of what he lost. He doesn't accept that he didn't do enough to protect himself from the scam, having done some research before investing.

Nationwide says it could have asked further questions when it called Mr S on 14 July 2024, following a £5,000 payment he'd made the previous day and this might have uncovered the scam. But it considers Mr S is equally responsible for his loss because it says he didn't do enough research before investing and he appears to have taken what the scammer told him at face value. If he had researched this investment platform, it says he could have discovered negative comments that were available online at the time, from people claiming to have lost money in this investment. It considers £64,972.69 is 50% of his loss, from the date of its first phone call to Mr S and when taking into account £26,054.62 he received back from the investment in withdrawals. It credited the £64,972.69 to Mr S's account and also offered a further £250 compensation, which it said was open for him to accept.

Our investigator thought Nationwide had already settled the complaint fairly because he thought it was reasonable for Nationwide to have found Mr S jointly responsible for his loss. He said this because Mr S had been contacted unexpectedly through social media and appeared to have taken a lot of what the scammer said at face value. He had received no paperwork detailing the investment, the terms of the investment or the returns he could expect. If he had researched the investment, he could have found online references to the investment platform being a possible scam.

Mr S didn't agree and said he had still not been able to find any online reference, dating from the time of his investment, to this investment platform being a scam. Due to this and the general sophistication of the scam, he didn't think it was reasonable to hold him jointly responsible. He provided the reference to another case decided by this service, which he thought was similar and where no deduction had been made.

I issued a provisional decision on Mr S's complaint in which I said the following:

"In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's accepted by all parties that Mr S authorised the payments and Nationwide made the payments in accordance with Mr S's instructions.

Neither the Contingent Reimbursement Model (CRM) Code, nor the APP scam reimbursement rules which came into effect on 7 October 2024, apply to these payments because neither applies to payments made from one account controlled by the customer to another account controlled by the same customer. Mr S's payments were sent from his account with Nationwide to his account with a cryptocurrency exchange.

But the matter doesn't end there. Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think Nationwide ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I don't consider the first payment was sufficiently unusual to have caused Nationwide enough concern that it ought reasonably to have prevented the payment or asked Mr S further questions about it. At the time it was made, it would have appeared as a small, isolated payment to a cryptocurrency exchange. The larger payment on 13 July 2025 should have caused Nationwide sufficient concern that it intervened, as it was a significant payment (although the amount wasn't particularly unusual for this account) to a cryptocurrency exchange and was out of character for Mr S's account.

Nationwide accepts that it ought to have asked more probing questions when it spoke to Mr S on 14 July 2024 and if it had done it might have prevented the scam. Having listened to the call, I agree that some of the answers Mr S gave should have led to further questions, but since Nationwide has offered to compensate Mr S from that point onwards, I don't need to comment on that call any further.

The main issue I need to consider is whether Nationwide acted fairly by making a deduction from the amount of compensation it gave Mr S. Nationwide reasoned that Mr S should bear some responsibility because he didn't do enough to research this investment and therefore missed warning signs that it might not be legitimate. I have considered this issue carefully and in doing so, I've read the previous decision of this service that Mr S referred me to. While some of the issues involved in that complaint are similar to those in Mr S's complaint, each complaint needs to be considered on its own facts and it's the individual circumstances of Mr S's complaint that are key here.

The way in which Mr S was initially contacted about this investment, through unsolicited contact on social media, was slightly unusual. On its own, that might not have caused Mr S much concern, but it might reasonably have prompted him to carry out some research before deciding whether to invest.

Mr S says he did research the investment and couldn't find anything to suggest it was a scam. There were certainly a number of well-publicised allegations of criminal activity

levelled at the well-known person who controlled the investment platform Mr S thought he was investing in, and these were in the public domain at the time Mr S first invested. These allegations involved financial crimes, amongst others, including tax evasion. The investigator provided some links to online sources, some of which suggest that some of the well-known person's investment products might be a scam. These were available at the time Mr S invested.

I agree with Mr S that the lack of documents, detailing investment returns and terms and conditions, on its own, wouldn't necessarily have caused concern. In fact, investment returns were mentioned in the messages exchanged between Mr S and the scammer. These suggested Mr S might reasonably expect returns of a minimum of \$3 million on an investment of £350,000 over one year and that there was no risk, which ought to have caused concern in my view, as these returns were so high as to be unrealistic. I appreciate that the copies of the messages I have been sent start a little after Mr S started to invest, so it isn't clear what he was told initially, but by August 2024 these returns were being discussed.

On that basis, I consider there were several reasons for Mr S to have approached this investment with caution and on balance, considering the factors mentioned above, I think Mr S didn't do enough to protect himself from this scam and so I consider it is reasonable for Nationwide to hold him jointly responsible for his loss.

Even if I didn't consider this was sufficient reason for Nationwide to hold Mr S jointly responsible, the chat messages show Mr S was having issues with withdrawing his money from around November 2024 onwards and he was later told by the scammers that he needed to invest more money in order to release his existing investment. By 18 February 2025, he accused his contact of operating a scam and he said he wouldn't be investing any more money. The messages stop at this point, and it is not at all clear why, but after February 2025, Mr S sent more money to the scammer – some £43,500 in total. Since Mr S had clearly considered the possibility that this was a scam and seems to have been convinced it was a scam in February 2025, but sent more money to the scammer, I consider this is another reason why he ought to bear part of the responsibility for his loss. Indeed, as he made these additional payments having good reason to believe he was being scammed, I consider Nationwide's offer to refund 50% of these payments is more than I would have awarded.

Nationwide compensation

Mr S says he lost £134,590.43 and so he doesn't think £64,972.69 in compensation is 50% of his loss. Having looked at Nationwide's calculations and the Nationwide account statements, amongst other things, I'm satisfied that Nationwide is correct.

Nationwide says in total:

- £156,300 was sent to scammer;
- It has excluded the first payment of £300 from its calculation and has not included the credit of £487.57, since it has accepted responsibility from 13 July 2024 onwards and these two transactions occurred before then;
- It has then deducted £26,054.62 in credits;
- So it calculates Mr S's total loss as £129,945.38;
- 50% of £129,945.38 = £64,972.69.

Overall then, while I can see that Mr S has been the victim of a cruel and sophisticated scam and I have no doubt this has been very distressing for him, I'm not persuaded that it would be fair and reasonable for me to award him further compensation, for the reasons given above."

Nationwide responded only to say it didn't have anything to add.

Mr S responded to my provisional decision and said, in summary:

- He doesn't know what more he could have done. He researched the trading platform and the person he was dealing with, and he couldn't find any adverse information about either the platform or the adviser. The training he received over the course of many months seemed very professional, as was the trading platform, and he had no cause for concern. The adviser discussed personal information with him and built a friendship over a period of time;
- While there were allegations of criminality against the platform owners at the time he invested, the allegations had nothing to do with the investment platform;
- While I said in my provisional decision that I didn't want to discuss the Nationwide call, this is the key to his complaint and it is what caused his loss. Nationwide didn't do enough to prevent him from investing. The first call was crucial to everything and if Nationwide had asked probing questions and given appropriate warnings at that time, he wouldn't have invested and all his losses from that point could have been avoided;
- The high investment returns I referred to in my provisional decision weren't the returns that were initially mentioned before he invested. These returns were mentioned about two months later.

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 reached the same overall conclusions and broadly for the same reasons as I set out in my provisional decision, but I will address the additional points Mr S raised.

I agree with Mr S that the first call with Nationwide was important. The reason I said I didn't need to comment further about the first call is because the content of the call is not in dispute. I consider the questions Nationwide asked could have been much more probing, Mr S's answers to some of the questions should have caused Nationwide concern and I consider Nationwide missed an opportunity to prevent Mr S's losses. Nationwide has already indicated that it doesn't consider the call was handled well and that's the reason it has upheld Mr S's complaint. The remaining issue is whether Nationwide has compensated Mr S fairly, because it has made a deduction on the basis it considers Mr S could have done more to prevent himself from falling victim to this scam. The main focus of my provisional decision was to decide whether that approach was fair. I understand Mr S's argument that if the first call had been handled better, then he might not have fallen victim to the scam at all and so Nationwide should compensate him in full. While Mr S has been the victim of a very cruel and distressing scam, Nationwide is also a victim here and has already paid a significant amount to partially reimburse Mr S. I consider it's right that Nationwide should compensate Mr S because it did make an error that might have prevented his loss. But I also think it's fair and reasonable to consider Nationwide's argument that Mr S could have done more to protect himself and that might also have prevented some or all of his loss, so he should bear

some responsibility for his loss too.

As I said in my provisional decision, the way in which Mr S was initially contacted about this investment, through contact on social media, was slightly unusual and I consider it should reasonably have prompted him to carry out some research before deciding whether to invest.

Mr S says he did research the investment, and he couldn't find anything to suggest this specific investment platform or the person he was in contact with were involved in a scam, although he accepts that there were allegations of other criminality by the owners of the investment platform.

As I mentioned in my provisional decision, these allegations involved financial crimes, such as tax evasion, amongst other things. The investigator provided Mr S with some links to online sources, some of which suggested that some of the well-known person's investment products might be a scam, although these reviews didn't necessarily refer to the specific platform Mr S was investing through. But a reasonable amount of research at the time Mr S invested would have revealed that the owners of the investment platform had been accused of a range of criminal activity that was under investigation, and I consider this should reasonably have prompted some caution about investing through their platform.

Turning to the point Mr S made about risk and investment returns, it's not clear what Mr S was told about the returns he could expect at the time he first invested. The investigator considered that the lack of documents detailing investment returns and terms and conditions, should have caused Mr S concern. I thought slightly differently, because the chat messages showed that Mr S had been told, on 2 August 2024, a few weeks after his initial investment, that he might reasonably expect returns of a minimum of \$3 million on an investment of £350,000 over one year and that there was no risk. I thought those statements by the scammer ought to have caused Mr S concern because in my view, these returns were so high as to be unrealistic, certainly if he was told the investment carried no risk. Mr S says that these returns were only discussed *after* his initial investment was made, but I consider they are one of several warning signs that were present either before or during the course of the scam that should have caused Mr S concern. It isn't the case that Mr S made one payment to this investment. This was a series of payments, and the number of warning signs grew as the scam developed.

I also mentioned, in my provisional decision, that the chat messages show Mr S was having issues with withdrawing his money from November 2024 onwards and he was later told by the scammers that he needed to invest more money in order to release his existing investment. On 18 February 2025, he accused his contact at the trading platform of operating a scam and he said he wouldn't be investing any more money. But Mr S sent a further £48,500, in total, to the scammer, after that. The chat messages stop in February 2025 and I said it's not clear why Mr S continued to pay money to the scammer in these circumstances, having told them he thought it was a scam.

Mr S says he was assured that if he invested another £43,300 then he would be able to withdraw all his money. He also points out that he had been able to make some fairly large withdrawals from the investment platform in the past.

I understand that Mr S had already committed a lot of money to this investment and so I'm sure he hoped that by investing the additional money he would be able to recover what he had already invested. And it's true that he had been able to make some quite large withdrawals from the platform in the past. This was a sophisticated scam and it took place over several months and I can see that the scammer took time to develop a friendship with Mr S. But denying Mr S's withdrawal requests and requiring him to invest another £43,300 in

order to release his investment were warnings signs. The evidence shows Mr S had clearly contemplated the possibility that this was a scam, in February 2025. From the chat messages, it seems he had concluded that it was a scam and he said as much to the scammer. Yet, he decided to continue to invest significant amounts and I consider this is another reason why he ought to bear part of the responsibility for his loss. As I said in my provisional decision, as he made these additional payments having good reason to believe he was, or might be, being scammed, I consider Nationwide's offer to refund 50% of these payments is more than I would have awarded.

Overall, I consider there were significant warning signs before Mr S invested, mainly the allegations of general wide-ranging criminality involving the investment platform owners. Others came out at different stages during the course of this investment, such as the comments about risk and returns, and more significantly not allowing Mr S to withdraw funds, demanding he invest more money and him accusing his adviser of operating a scam. On balance, I consider the compensation Nationwide has paid is fair and reasonable in all the circumstances because I find Mr S didn't do enough to protect himself from fraud. I consider Nationwide made a reasonable deduction to recognise this and I'm not requiring it to pay more.

My final decision

I don't uphold Mr S's complaint.

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

Greg Barham
Ombudsman