

The complaint

Mr C says Nationwide Building Society (“Nationwide”) failed to protect him from financial harm when he fell victim to a scam.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail here.

In short, Mr C says he fell victim to a scam. In this scam he believed he was in a romantic relationship with the person he was speaking to and was convinced to invest money into cryptocurrency. He complained to Nationwide and it offered him a refund of some of the payments he made and agreed to remove a CIFAS marker that it incorrectly applied against him due to the scam payments he made.

Mr C complains that the refund offered is not adequate, and he continues to face difficulties as a result of the CIFAS marker that was incorrectly applied. He is also unhappy with the handling of his complaint and the distress and inconvenience this whole situation has caused.

Unable to come to a resolution with Nationwide directly, Mr C brought his complaint to our Service. Our investigator considered this complaint and decided that Nationwide ought to have provided better information about the CIFAS marker, and how this would affect his future banking. She also felt that Nationwide had caused unnecessary delays and avoidable inconvenience during the complains process. And for this she suggested Nationwide pay him £300 compensation. However, she also made the finding that the refund of £6,547.16 offered in relation to the scam was a fair amount considering the circumstances and the effects an appropriate intervention would’ve likely had on Mr C’s loss. But she told Nationwide to add 8% simple interest from the date the payments were made until the date they are returned to Mr C.

Mr C wasn’t happy with the outcome reached by the investigator, so the complaint was passed to me for a final decision. I have already communicated my initial thoughts on this complaint with Mr C, with the view of reaching an informal resolution. However, Mr C did not accept my initial findings and asked for this to formally drafted in a final decision. So, I have done so below.

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 response to the investigator’s outcome and to my initial communication on this complaint, Mr C responded to say that he thinks an earlier payment of £1,500 to Moonpay should also be included in the refund offered by Nationwide. He also responded to say that the £300 compensation does not reflect the amount of distress and inconvenience he has suffered. So, these are the concerns I will address below as the outstanding points in dispute.

Mr C also wanted confirmation in writing that the CIFAS marker and all other adverse information in relation to this had been removed from his record – I believe this has now been provided.

While there are regulatory requirements which suggest firms/banks should be on the lookout for unusual and out of character transactions, they also need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions. So, we can't expect any business to intervene with every transaction, and we have to have some consistency about what type and value of transactions should be flagged, whilst also taking into account the consumers account usage.

Mr C maintains that he thinks Nationwide ought to have intervened at the point at which he was making his first payment of £1,500 to Moonpay. However, I disagree for the reasons outlined in my earlier communication with Mr C. In this I said, Payment 4 (which is the payment Mr C believes should've been the trigger point) was made 7 days after the last payment to a cryptocurrency provider. And the value of the payment was £1,500 - which is not considered significantly high when looking at other incoming and outgoing transactions on Mr C's account prior to the scam payments, and there are no other payments in quick succession at this time. The account statements prior to the scam payments show that Mr C often transferred funds in and out of this account, often leaving a minimal balance and appearing to use this account to move money around. It is also important to note that not all cryptocurrency transactions ought to be flagged as suspicious. Cryptocurrency trading has become more of a common activity and is now widely used for genuine trading and the movement of funds.

Mr C hasn't responded with any new evidence or points for me to consider, so I my finding here is that I don't think Payment 4 for £1,500 should also be included in Mr C's refund.

I also considered the compensation suggested, and as I set out in my earlier communication with Mr C, I think that the £300 recommended is fair and reasonable. I've seen that Mr C disputed this saying that this doesn't reflect the prolonged account restrictions, repeated calls and visits, replacement banking difficulties, and reputational stress. But some of these factors, such as the reputational stress and account restrictions, were not strictly Nationwide's fault. As the investigator said, Nationwide were not wrong in adding the CIFAS marker at the time and it has a duty to investigate fully before removing the marker it had applied. And once a decision was made to remove this, it was done within 48 hours. So, I cannot award any compensation for effects this had at the time. It is also important to remember, Nationwide were not responsible for this scam and any distress the actual scam caused Mr C. Nationwide are responsible for the lack of updates, for not being clear that Mr C could open another account with them and for incorrectly messaging him to say his case had not been updated. And for that I think the £300 recommended is fair.

Putting things right

In order to put things right Nationwide Building Society should:

- Refund Mr C £6,547.16 of the payments he made to this scam,
- Add 8% simple interest to the above figure from the date the payments were made until the date this is repaid to him,
- Pay £300 in compensation for the distress and inconvenience caused as outlined above.

My final decision

I am partly upholding this complaint and Nationwide Building Society should put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 April 2026.

Sienna Mahboobani
Ombudsman