

## The complaint

Mr N is unhappy Nationwide Building Society won't reimburse him the money he sent to a third-party in relation to a property purchase which he says was a scam.

## What happened

In late 2023, Mr N came across an individual – whom I'll refer to as M, through social media. M was advertising property investment opportunities. Mr N says M presented themselves as someone that buys properties, refurbishes them and resells them for profit.

Between the period of early February and August 2024 made a series of payments totalling around £18,000. These payments were made from Mr N's account with Nationwide to an account belonging to a Limited company – which I'll refer to as P. The director of P was someone that Mr N says he was introduced to through M – and whom I'll refer to as L.

Mr N says that M and L assured him that alongside the sale of another property he already owned, and through the payments he'd made, they would assist in securing another property and a mortgage.

Mr N says that he believes he's fallen victim to scam. He said that not only was his other property sold without his proper consent and that he hasn't received all the funds from M that it was actually sold for. But he also said that a mortgage, nor a property were ever secured. Furthermore, he says was introduced to another individual whom I'll refer to as D where he fell victim to a separate scam – which has already been refunded in full by another bank.

Mr N raised a scam claim with Nationwide which was declined on the grounds that it considered the payments he'd made to P amounted to a civil dispute. His subsequent complaint was also rejected.

Our investigator didn't uphold the complaint. He said he didn't think it was unfair for Nationwide to reject his claim as he wasn't satisfied he'd fallen victim to an Authorised Push Payment (APP) scam. Nor did he think there was any other reason why Nationwide should have refunded the money.

Mr N didn't agree. In summary, he did not accept the view the circumstances he faced amounted to a civil dispute. He maintained that he had not received the proceeds of his other property and that he was induced to make payments to P through dishonest deception and that the true purpose of his payments diverged from what he understood.

Mr N has confirmed that as of December 2025, he has had some funds returned and that the remaining balance owed to him from P is £7,550.

As an informal agreement couldn't be reached, the case has since been passed to me to decide.

## 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 come to the same outcome as the investigator for broadly the same reasons.

I'm mindful that Mr F has made detailed submissions to us about the complaint. I'd like to reassure him that I've considered everything that's been submitted carefully – including the detailed response and submissions following our investigators findings. But if I don't mention a particular point or piece of evidence, that's not because I haven't taken it into account. My findings focus on what I consider to be the central issues, and my role is to reach what I think is a fair and reasonable decision based on the available facts of the case.

It's firstly important to explain that I don't have the power to decide any dispute between Mr N and L/P, let alone a dispute relating to M and what he says was the unauthorised sale of his property. Nor do I have the power to interrogate the parties or consider their actions. I understand Mr N feels strongly that he was deceived by them into making payments to them for the purpose of arranging a mortgage and as part of a deposit for a property purchase that never came to fruition. But I can't hold Nationwide responsible for any breach of contract or other failings on the part of those other third parties.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. But there are circumstances when it might be fair and reasonable for a firm to reimburse a customer even when they have authorised a payment.

Nationwide was a signatory of the Lending Standards Boards Contingent Reimbursement Model (the CRM code). Under the CRM Code, the starting principle was that a firm should reimburse a customer who was the victim of an APP scam, except in limited circumstances. But the CRM Code only applied if the definition of an APP scam, as set out in it, is met.

I have therefore considered whether Mr F's claim falls within the scope of the CRM Code, which defines an APP scam as:

*"...a transfer of funds executed across Faster Payments...where:*

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent."*

The CRM code also says it doesn't apply to private civil disputes, 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. So in order to determine whether Nationwide should refund the money Mr N lost under the CRM code, I need to consider whether he has been the victim of a scam – or, in other words, whether the third party he made payments to at the centre of this dispute, set out from the beginning with the intent to defraud him.

Mr N has said that he believed his payments were for a legitimate mortgage deposit which would be put towards the purpose of a property purchase. Mr N has been unable to provide any contractual agreement he's entered into with P regarding these specific payments. However, from the evidence he has provided in the form of his interactions with multiple parties including L (director of P) and M it's evident that some kind of property and mortgage sourcing service was being provided.

That said, following recent interactions with our investigator, whilst Mr N maintains he had no formal written contract between him and P, nor the other individuals, he's explained that the payments were required as a deposit and associated costs to secure a residential property and to progress a mortgage application in his name. Like our investigator, I haven't seen anything which would suggest that Mr N didn't think this was legitimate.

I understand that Mr N states that the true purpose of his payments diverged from what he understood. But I'm not satisfied this is supported by the evidence. The various interactions with the relevant parties involved clearly show mention of sourcing/ securing a mortgage and property. Indeed, the available evidence shows a mortgage offer was issued in March 2024 from a regulated firm and that it was issued to and named Mr N. Just because a property might not have been secured or sale finalised, does not mean that there was never an intention to deliver on the agreed services and there can be many reasons why property sales fall through. Indeed, mortgage offers themselves do not remain valid indefinitely and are typically valid for up to six months.

The interactions between Mr N and the various parties are clearly indicative of a breakdown in relationship between the parties and its apparent Mr N became unhappy with the length of time matters were taking to secure a property. This is supported by Mr N's messages that state if he doesn't have the keys of the flat by the end of January (2025) he would '*retreat from the sale*'.

It's clear Mr N has a dispute with multiple parties including P. I'm not saying he doesn't have a legitimate grievance against P or the other parties. Indeed, it would appear Mr N has been able to find some partial resolution with P, as he's confirmed that as of December 2025 the remaining balance owed to him is £7,550. That said, I can only look at Nationwide's responsibilities here and this type of dispute isn't something that the CRM code covers or that Nationwide can be held responsible for.

Overall, and for the reasons I've set out above, I don't think Nationwide has treated Mr N unfairly when it made the decision not to reimburse him. I can't see any fair or reasonable grounds on which I could say that Nationwide should bear the responsibility of Mr N's loss, and I don't think it ought to have done more to assist Mr N in the circumstances – by intervening to prevent the payments or attempting to retrieve the payments from the beneficiary account.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 15 May 2026.

Mark O'Connor  
**Ombudsman**