

The complaint

Mr D complains that Nationwide Building Society won't reimburse money he says he lost to fraud.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In late 2020-early 2021, Mr D found an investment opportunity that involved the forward purchase of gold at a discounted rate through a company I will refer to as Company T.

After agreeing contractual terms, on 6 January 2021 Mr D made a payment of £7,935.21 from his Nationwide account to an account instructed by Company T.

Once the contractual agreement period had expired, Mr D contacted the broker to seek the agreed gold purchased. But he was presented with several excuses as to why Company T's contractual agreements could not be fulfilled.

Eventually, Company T entered insolvency and Mr D discovered information that led him to believe he'd been the victim of fraud. He therefore reported the matter to Nationwide and asked it to reimburse his loss.

Nationwide considered Mr D's claim but didn't agree to reimburse him. It found that the matter was more likely a civil dispute between Mr D and Company T, which meant it wasn't liable to reimburse his loss.

Mr D disagreed with that assessment, so he referred his complaint to our service for an independent review. An Investigator considered the evidence available but concluded that Nationwide acted fairly when deciding not to reimburse Mr D's loss.

Mr D disagreed with that assessment, so the matter has now 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.

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

There is no dispute here that Mr D authorised the transaction in question. And the starting position in law is that he will be held liable for the transaction authorised in the first instance. That is due to Nationwide's primary obligation to process payments in line with its customer's instructions, as set out in the Payment Services Regulations 2017.

However, Nationwide was a signatory to the Lending Standards Board's Contingent Reimbursement Model (the CRM Code) at the time the payment was made. Under that Code, firms were expected to reimburse customers who fall victim to fraud, subject to a number of conditions and exceptions.

However, the CRM Code is only relevant if I'm persuaded Mr D was a victim of fraud. The Code specifically doesn't cover certain types of disputes. It says:

"This Code does not apply to...private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier".

Likewise, even had the payment not fallen within the scope of the CRM Code, Nationwide has no liability to reimburse Mr D his loss from a bank transfer where the matter is deemed a civil dispute, such as where he paid toward an investment/commodity through a legitimate business that has failed.

From the information provided so far by Mr D, I'm not persuaded he has been a victim of fraud, as defined within the CRM Code. I'll explain why.

I'd first like to acknowledge Mr D's strength of feeling in this matter. I can see that he has expressed frustrations with an apparent lack of consistency across financial businesses, with refunds being provided to some claimants that have suffered a loss, but not others. While I do understand why this would cause Mr D frustration in this matter, I can only deal with the case in front of me and cannot base my findings on what other financial businesses have decided to do on related claims. I also cannot comment on why those businesses took those decisions.

Turning to the evidence in this case, I do recognise that Mr D paid toward a forward purchase of gold. And it is clear that he did not receive what he had paid for. It is also clear that Company T did not meet its contractual obligations, but that alone is not sufficient to bring the matter under the scope of the CRM Code. I must be satisfied that the evidence shows a clear intent to defraud Mr D from the outset. And I must be satisfied that other viable explanations for these contractual obligations not being met can sufficiently be ruled out.

To reach my findings, I have reviewed the evidence Mr D has provided, along with other third-party evidence our service has obtained relating to Company T and the opportunity it sold. The pertinent points I have noted are:

- Company T was formally incorporated in the UK in 2012, and evidence supports legitimate mining and business operations, both in the UK and abroad. This includes tangible assets and infrastructure.
- A review of the Company Voluntary Arrangement and supporting documentation shows the business was experiencing financial difficulty. And no evidence has been provided by the Insolvency Practitioners that would indicate an illegitimate or fraudulent business.
- Mr D has referred to criminal investigations that took place by law enforcement authorities in both the UK and abroad. However, evidence would suggest that these investigations have ceased and with no further action being taken by those authorities. While the involvement of a law enforcement investigation may indicate a suspicion of criminal activity, it does not automatically follow that criminal conduct has been committed.
- Mr D has also made reference to a Ponzi scheme. However, from the evidence our service has seen, there is no indication of a Ponzi scheme being operated here, or

any links to one.

- Mr D has sent our service articles that present negative views of Company T. But again, this is not sufficient to support an intention to defraud. From what I have read, these are expressions of dissatisfaction regarding the outcome of investments made.
- Inference has been made that Company T was experiencing financial difficulty before Mr D made his payment. But it is not an act of fraud for a business to continue its operations when experiencing financial difficulties. And there is no evidence to support any false representations made, or intention to take Mr D's money knowing that its contractual obligations could not be met at that stage.

I understand why Mr D is vehemently arguing a case of fraud here, and I would like to add that our service cannot completely rule this out as a possibility in any case. But I must look at the evidence impartially and cannot ignore the evidence that supports an argument contrary to that of Mr Ds.

Considering the above factors, I fail to see a reasonable argument in which I can make that Company T was—more likely than not—fraudulent, or dishonestly deceiving Mr D at the time it took his payment. Instead, the evidence strongly supports the conclusion that Company T was likely a legitimate business that fell into financial difficulty and failed.

I am sorry to deliver this news to Mr D. I have read his submissions carefully and have noted the difficult personal circumstances he has faced along with this financial loss. But I am only able to consider this complaint under the provisions of the CRM Code if I am satisfied he has been the victim of fraud, as defined within that Code. And having carefully considered the evidence, I am not persuaded that he has. It therefore follows that Nationwide did act fairly when declining his claim.

I have noted that in Mr D's response to our Investigator's view, he has made numerous references to the failings of the bank where his funds were sent to. This complaint is not against that bank, so I am unable to comment on those submissions here.

Further, I have noted several references to another law enforcement investigation that may currently be underway regarding Company T and its representatives. Should this investigation uncover any material new evidence that would support Mr D's assertion that he has been defrauded, he can present that new evidence to Nationwide for further consideration.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 March 2026.

Stephen Westlake
Ombudsman