

The complaint

Mr F is unhappy Nationwide Building Society won't reimburse him for the money he lost when he fell victim to a scam.

Mr F is represented in this complaint by a solicitor, but for simplicity I will refer to Mr F throughout this decision, even when referencing what his representatives have said on his behalf.

What happened

In early November 2024, Mr F made contact with someone via a dating app, I will call this person 'X'. Mr F developed a relationship with X and at some stage in their conversations she told him about an investment opportunity. X encouraged Mr F to get involved and over a period of a few weeks Mr F made a series of payments from his Nationwide account, and from an account he held with another bank (Bank B) to cryptocurrency accounts he held, from where the funds were then sent on to fund his investment. Unfortunately, and unknown to Mr F, this investment opportunity was not legitimate, he was dealing with scammers.

Mr F says he tried to withdraw his profits but was unable to, and on 5 December 2024 Mr F realised that all his funds had disappeared from the investment platform. At this stage he contacted Nationwide to report that he had been the victim of a scam.

After looking into things, Nationwide said it would not be able to refund the money Mr F had lost. It said the payments were to accounts within his control, and so did not feel it was the point of loss or should bear liability for that loss. In addition, Nationwide noted that when it did discuss one payment with Mr F, he was not honest about the circumstances surrounding the payment.

Mr F was unhappy with Nationwide's response and so he referred his complaint to our service. He has also referred a complaint to our service about Bank B, which had also declined his claim for a refund of his losses from that account.

One of our Investigators looked into what had happened, and ultimately they felt that Nationwide would not have been able to protect Mr F from this scam. So, they did not consider that Nationwide needed to refund any of Mr F's loss.

Mr F was unhappy with the Investigator's findings, he feels Nationwide should have done more to intervene, and that it is not reasonable to make assumptions about how he might have responded had Nationwide intervened in the payments he made from the start.

As no agreement could be reached, this case has been passed to me for a decision.

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 conclusion as our Investigator, and for the same reasons.

I'm satisfied Mr F authorised the payments that are in dispute, so as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr F is responsible for them. That remains the case even though Mr F was the unfortunate victim of a scam.

Because of this, Mr F is not automatically entitled to a refund. I also note that the payments were made to cryptocurrency accounts in Mr F's own name. But even though the funds first went to Mr F's own cryptocurrency accounts, before being passed on to the scammers, the regulatory landscape, along with good industry practice, still sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Nationwide acted fairly and reasonably in its dealings with Mr F, or whether it should have done more than it did.

I'm satisfied that Nationwide should have intervened from the very first payment Mr F made to the scam from this account, which was for £10,000. This was for an unusually high amount given the previous activity on the account, and was identifiably going to a known cryptocurrency exchange. And at the time this payment was made Nationwide was well aware of the potential risk such a payment might represent.

Given the size and destination of the payment I think it would have been reasonable for Nationwide to contact Mr F directly at that time to ask him some questions about what the payment was for. But just because Nationwide didn't intervene at this stage, when it arguably should have, that does not mean that Mr F is automatically entitled to a refund of the scam payments. I need to also consider what is likely to have happened if Nationwide *had* intervened.

Obviously, we cannot say with 100% certainty what would have happened had Nationwide spoken to Mr F on 25 November 2024. It is also worth noting that we don't have any evidence from that time of what Mr F was discussing with X or what he was being told to do. So, I must instead consider what I think is most likely to have happened, based on the evidence that we *do* have. And having done so, I think it is more likely that, had Nationwide intervened on 25 November, it would not have been able to uncover the scam or prevent Mr F's loss.

I say this because, having looked over the correspondence between Mr F and X that we do have, and considering the conversation that Mr F had with Nationwide a few days later, on 28 November 2024, it seems clear that Mr F was very deeply under X's spell. Mr F was not entirely honest when Nationwide spoke to him on 28 November, he denied the involvement of any third party in his decision to invest in cryptocurrency. He also presented himself as somebody who was experienced and knowledgeable about cryptocurrency investment, and had been investing since 2017. And one of his cryptocurrency accounts had been opened in 2017 so he could have backed this claim up with evidence if he had been questioned in more detail. I don't think there was anything that Mr F said which would have clearly indicated to Nationwide that Mr F was at risk of a scam.

And the records of Mr F's later conversation with X show that he was willing to trust them even when the evidence before him suggested that something untoward was going on. Mr F continued to correspond with X, and to discuss how he could recover his funds, for several

days *after* he reported the payments to Nationwide as being part of a scam. I think the limited evidence we have of Mr F's interactions with X show that he was very much willing to do what he was told in order to get the money he believed he was due from this purported investment. And X was able to overcome Mr F's objections or concerns when he raised them, by pushing blame to other parties involved in the payment process. X also was evidently taking steps to advise Mr F on how to avoid interventions from his banks, so that he could make the payments he needed to, and Mr F seemed willing to follow this advice.

With all this in mind, I think it is reasonable to conclude that, had Nationwide intervened at the time of the first payment to the scam, it is more likely than not that Mr F would have acted on the instructions of the scammer and taken steps to hide the true circumstances of the payments. And the evidence suggests he would have been able to give a convincing story about why he was making these payments, as she did when he was contacted later on.

So, given that Mr F appeared to have developed what he believed was a close personal relationship with X, and appeared to trust them so much that he was willing to conceal what he was doing from the bank, and was still willing to consider making further payments, even after he had apparently realised he had potentially been the victim of a scam, I think it is difficult to say that intervention from Nationwide would reasonably have prevented him from continuing with the payments he wanted to make. So, I don't think Nationwide could have reasonably prevented Mr F's loss.

I also don't think that Nationwide could have done anything more to recover these funds once Mr F reported the scam, as the funds were sent to cryptocurrency accounts in his own name and then moved on.

I don't doubt that Mr F has been the victim of a cruel scam here, and I know that he has lost a very significant amount of money. But in all the circumstances of this complaint I don't think I can reasonably say that Nationwide should be responsible for Mr F's financial loss, so I won't be telling it to refund any of the disputed payments to Mr F's account.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 19 March 2026.

Sophie Mitchell
Ombudsman