

The complaint

Mrs K is complaining that Nationwide Building Society hasn't refunded payments she was tricked into making when she fell victim to a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I'll only summarise things here.

In short, Mrs K was tricked into making three credit card payments when she was speaking to what she thought was a genuine travel agency she had used before – but unfortunately she was speaking to a scammer. The payments that she's disputing are listed below:

Payment number	Date	Payee	Amount
1	17 April 2025	Merchant 1	£755.95
2	16 May 2025	Merchant 2	£494.42
3	16 May 2025	Merchant 1	£543.50

When Mrs K didn't receive the tickets she'd expected, she contacted the person she'd spoken to to make the booking, but he terminated the call and she found her number had been blocked. She realised something had gone wrong and contacted Nationwide.

Nationwide raised chargebacks on all the payments. Merchant 2 initially defended the chargeback but then didn't pursue a further challenge from Nationwide. So, Payment 2 has now been refunded to Mrs K. Merchant 1 refunded £45.90 to Mrs K which was the value of an unused return flight. However, it was able to provide evidence that it had provided the flights Mrs K had paid for – albeit not to her. So, Mrs K didn't receive the remaining funds back.

Mrs K raised a complaint with Nationwide, and once she'd received its response she brought her complaint to the Financial Ombudsman Service. Our Investigator didn't think Nationwide could reasonably have done anything else to prevent the payments or recover the remaining funds. Mrs K didn't agree, so her complaint has been passed to me for review and 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.

I'm really sorry to disappoint Mrs K, but I'm not upholding her complaint – for much the same reasons as the Investigator.

When a payment is authorised, Nationwide has a duty to act on the payment instruction. But in some circumstances, it should take a closer look at the circumstances of the payment – for example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. I'd expect any intervention to be proportionate to the circumstances of the payment. But I've also kept in mind that Nationwide processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I agree with the Investigator that I wouldn't have expected Nationwide to have intervened here. The value of the payments didn't look particularly unusual or out of character for Mrs K's account, and although I appreciate it was a lot of money for Mrs K to lose, in the context of transactions Nationwide processes every day the payments weren't high in value. And I don't think there was anything else about the circumstances of the payments which ought to have caused Nationwide to be sufficiently concerned about a scam risk that it ought to have intervened with a warning, or by contacting Mrs K directly. So, I can't conclude Nationwide ought to have done anything else to prevent Mrs K from making the payments.

Nationwide did raise chargeback claims for the disputed payments under the card scheme's rules, but they were successfully defended by the Merchant 1 on the basis that it had provided the goods or services (in this case, the flights) that Mrs K had paid for. I appreciate that the flights weren't used by Mrs K, but this isn't grounds for a claim to succeed under the rules. I understand that this is really frustrating for Mrs K, but I don't think Nationwide could reasonably have done anything else to attempt to recover her funds here within the card scheme's chargeback rules.

There is additional protection for payments on credit cards, due to section 75 of the Consumer Credit Act – which holds the lender jointly responsible for any breaches of contract or misrepresentation by the supplier of the goods or services. For a claim to be successful there must be what's known as a valid 'debtor-creditor-supplier' agreement – meaning there must be a connection, usually contractual, between the person buying the goods, the credit card provider, and the supplier of the goods.

It's not clear to me that the required relationship is present here because Mrs K doesn't appear to have a contractual relationship with the supplier (Merchant 1 in this case). And in any case, I can't see that there would be any evidence of a breach of contract by the merchant because it supplied the flights that had been paid for and they were used. The cost of the unused flight has already been refunded.

I'm sorry to disappoint Mrs K. She's been the victim of a cruel scam, and I can understand why she'd think she should get all her money back. But I've not found that there are any grounds for me to direct Nationwide to refund her outstanding loss.

My final decision

My final decision is that I'm not upholding Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 17 February 2026.

Helen Sutcliffe
Ombudsman