

The complaint

Ms G complains that Nationwide Building Society (Nationwide) won't refund the money she's lost as a result of rogue trader scam.

What happened

The detailed background to this complaint is well known to both parties and the following is a brief summary of what happened.

Ms G was concerned about intruders coming through her roof and (on a trader website) she found and then contacted a roofing company (Company W), owned by Person X, to secure an entrance and put in place a surveillance equipment.

Ms G was also looking to renovate her flat (kitchen, bathroom, windows, walls and floors) and arranged for Company W to do this for an overall price of £52,000.

Ms G paid Company W £19,000 from her Nationwide account. She issued the following two cheques:

- £10,000 on 22 April 2025
- £9,000 on 23 April 2025

Ms G says that when she paid the above amounts the labourers had only just started, and she found the labourers to be unprofessional and unreliable. Also, both their fittings and finishes were sub-standard. In addition, she didn't think they were taking the work seriously as they weren't working full days, had purchased poor quality products and inadequate materials.

Ms G didn't trust them and when Person X required an additional £15,000, she became suspicious as the materials they had purchased were low cost and she thought they had enough money to complete the initial part of the job.

Ms G hasn't been able to provide evidence of her dialogue with Person X but explains that the work subsequently stopped, a dispute occurred and she suspects Person X and Company W are being dishonest when communicating that they've gone into liquidation and are no longer trading.

Ms G contacted Nationwide to claim the £19,000 that she has lost. When logging the claim Ms G became upset with the agent as she considered him to have been insulting and disrespectful. Ms G also submitted a complaint about the upset and distress she had been caused by the agent. Also, the treatment she received from Nationwide staff when she visited two branches.

Regarding M's G's refund claim, Nationwide:

- Accepted it was probably a rogue trader scam.
- Said that as she paid by cheque there was no additional cover and her claim was *'outside the scope of the Payments Systems Regulator, which introduced new regulations covering fraud in November 2024'*.
- Said the first cheque for £10,000 wasn't unusual but accepted they should've

intervened when the second cheque for £9,000 was presented. This is because it was paid shortly after the first.

- Agreed to refund 50% of the £9,000 payment plus pay £150 compensation as an intervention might've prevented her losing this amount. This is because they would've noticed risks such as Company W not being registered at Companies House and the invoice being badly written.
- Explained the 50% part refund was because they felt Ms G had been negligent. They said that there was further research she should've done such as insisting on other quotes, researching Company W and reviewing any previous work they'd done.

Regarding Ms G's service complaints and interaction with their staff, Nationwide:

- Didn't agree their fraud and scam agent (when processing her claim) had provided poor service. They considered his questions to be pertinent.
- Said that they would make and keep a file note for six months, as she'd displayed '*unacceptable behaviour*' when interacting with their staff over the phone which included raising her voice, making threats to take action against them and not allowing them to speak.
- Asked for specific details of her complaint about branch staff, including dates and police intervention, and said that upon receipt they would investigate.

Ms G was dissatisfied and escalated her complaint to our service seeking a full refund of £19,000. Also, compensation of £445,000 for the poor service, adding that she feels she's been singled out, abused, defamed, discriminated against and her human rights have been violated.

However, our investigator didn't think Nationwide could've prevented Ms G's loss or that they should pay any compensation for the level of service provided.

As Ms G remained dissatisfied her complaint was passed to me to look at.

I issued a provisional decision on 22 December 2025, and this is what I said:

I've considered the relevant information about this complaint.

My provisional decision is the same outcome of that reached by our investigator. However, as there is a lack of information on some of the service complaints, I'd like to give Ms G a further opportunity to respond.

The deadline for both parties to provide any further comments or evidence for me to consider is 19 January 2026. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I don't hear from Ms G, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

What I've provisionally 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, my provisional decision is to not uphold this complaint, and I'll explain why.

I should first say that:

- *I'm very sorry to hear of the distress that Ms G suffered when trying to secure and renovate her flat.*
- *Although I've read and considered everything Ms G has said, I won't be responding to every point individually. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.*
- *Regarding complaints about violations of human rights, which I can't see that Nationwide have yet been provided with evidence to respond to, whilst I can consider events (after Nationwide have first looked at and made a determination), alleged breaches of legislation are for the courts to decide.*
- *I'm satisfied that the contingent reimbursement model and the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply here due to the payments being made by cheque.*
- *I'm satisfied that Nationwide enquired about recovering funds, however there were insufficient funds remaining for this to be considered.*
- *The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.*

PSR

Under the PSR and in accordance with general banking terms and conditions, banks and building societies should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Ms G made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a building society should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Building Societies do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Nationwide should fairly and reasonably:

- *Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- *Have systems in place to look for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks and building societies are generally more familiar with than the average customer.*
- *In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a*

payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023 Nationwide had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Nationwide was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, look out for signs of vulnerability.

Having reviewed all of Ms G's submissions, I'm currently unable to reach a definite conclusion that Ms G's loss has been caused by a scam. However, it isn't necessary for me to make a determination on this as Nationwide have, on balance of probabilities, accepted that it probably is a scam and they might've stopped it. So, what's left for me to decide here, is whether it is fair and reasonable for Nationwide to:

- Reject a refund on payment 1 (for £10,000).*
- Only provide a refund of 50% (£4,500) for payment 2 (for £9,000) and pay £150 compensation for payment 2.*
- Reject compensation for the distress Ms G believes their claims agent and branch staff caused her.*

Payment 1

Having considered Ms G's account transactions prior to this payment alongside the above-mentioned PSR, as much as I have empathy with Ms G's financial loss and frustration, I don't think it would've been reasonable to have expected Nationwide to have intervened before allowing payment 1 to clear. This is because:

- Building Societies like Nationwide process thousands of payments and have to strike a balance between intervening to prevent fraud and/or financial harm against the risk of unnecessarily inconveniencing and / or delaying legitimate transactions.*
- It wasn't unusual or out of character for Ms G to make payments in excess of £10,000 or a cheque payment for £10,000.*
- The payment didn't drain her account as a large credit had been paid in.*

So, I think their decision to reject a refund for this payment is fair and reasonable.

Payment 2

Regarding payment 2, Nationwide accept that they should've intervened as it was a second payment in two days, and as this payment pattern appears unusual I think their offer to pay a refund is fair and reasonable.

I then considered if it was though fair and reasonable for Nationwide to deduct 50% from the refund amount.

Contributory negligence

There's a general principle that consumers must take responsibility for their decisions. With this in mind, I have considered whether Ms G did enough to protect herself.

Although I recognise that Ms G used a (Firm B) website to find a professional trader and, at that time, she appeared to be looking for a roofer, the website she used

facilitates the introduction of prospective professionals. So, it is for the customer to complete due diligence, and I think that rather than trusting Person X, for such a high amount of expenditure, Ms G should've:

- Noticed that Firm B don't undertake checks and that there are reviews of dissatisfied customers and customers who are victims of rogue traders and therefore completed due diligence on Company W.*
- Requested and verified references.*
- Obtained a contract with both a detailed work schedule and agreed completion payment points.*
- Made payments in accordance with a contract containing the above.*

As I can't see that she did the above, I think it is fair and reasonable for Nationwide to have considered that contributory negligence does apply here and it is therefore fair and reasonable to make a deduction of 50% from the amount to be refunded.

Regarding Nationwide's compensation payment, as they think they might've prevented some of the loss from occurring. As distress and inconvenience has been caused by Person X, rather than Nationwide, I don't think it would be fair and reasonable to require them to make a higher payment.

Service

Regarding Ms G's dissatisfaction with the agent who processed her claim, having listened to the recording, I can't see that he did anything wrong, and I think Ms G misunderstood the question that caused her upset.

Ms G contacted him to make a claim and one of the questions on his list was:

- Q12 – 'Was there anything affecting you at the time which may have led to the success of the scam we should be aware of'.*

As Ms G had explained the intruders and surveillance, she thought that in asking this question the agent was challenging her version of events and / or questioning her mental health. However, I'm satisfied this wasn't the case and it was a standard and reasonable question to enable him to assess the claim.

When Ms G became offended at this question, he explained that he was trying to assess the impact, and he thought the intruders may possibly have had an impact on the scam. Unfortunately, Ms G had interpreted the question differently and remained upset, but I don't think the agent could've done more to reassure her that it was both a standard and very relevant question for a claimant to answer.

Regarding Ms G's complaints about incidents that took place at the branch, I can't see any supporting evidence or that Nationwide have been provided with information to look into this. So, I'm unable to consider this aspect of Ms G's complaint.

Provisional decision

So, having considered all the above, I'm sorry to disappoint Ms G, but my provisional decision is that I'm not upholding this complaint.

My provisional decision

For the reasons mentioned above, my provisional decision is to not uphold this complaint against Nationwide Building Society.

This is subject to any comments that either Ms G or Nationwide Building Society may wish to make. These must be received by 19 January 2026.

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.

Further to my above provisional decision, I received the following responses:

- Nationwide accepted it and said they didn't have any further points or information for me to consider.
- Ms G's only made a comment about Person X's company actions and that he stole her money.

So, as no further arguments or evidence have been produced in response to my provisional decision my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

My final decision

For the reasons mentioned above, my final decision is that I'm not upholding this complaint against Nationwide Building Society.

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

Paul Douglas
Ombudsman