

The complaint

Mr P complains that Nationwide Building Society won't refund the money he lost as a result of a flight scam.

What happened

There is limited information on what happened.

Mr P was liaising with a representative of Travel Company S about flights and possibly accommodation and he agreed to pay them a deposit of £300. However, he authorised the following two payments to Merchant B, who are one of the world's largest online travel agencies:

Payment Number	Date	Payment method	Payee	Amount
1	4 July 2025	Credit card	Company B	£751.16
2	4 July 2025	Credit card	Company B	£879.25
Total				£1,630.41

Mr P discovered the flights were booked in other people's names and possibly to a different destination and, believing he'd been scammed, he contacted Nationwide to claim a refund. Nationwide said they were unable to provide him with a refund. They attempted chargebacks from Merchant B and later provided him with a credit for payment 2.

Mr P brought his complaint to our service, but our investigator couldn't see that Nationwide had done anything wrong as he considered the amounts to be too low to have triggered an intervention and was satisfied Nationwide had attempted chargebacks.

But Mr P queried the credit he received for payment 2 and couldn't understand why it didn't also apply to payment 1 as both payments were to the same merchant. Our investigator thought this was likely to be just a temporary credit. Mr P thought didn't think this was the case and asked for an ombudsman to review his complaint

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

I should first say that:

- I'm very sorry to hear about Mr P's financial loss and his upset.
- I confirmed with Nationwide that a chargeback was successful for payment 2, and below I cover payment 1 being unsuccessful.
- It's unclear if Mr P is a victim of a scam. It's possible that it could be a pyramid scheme

scam, where a travel agent takes card payments and uses them to pay for another party's flight or holiday. But I noted that Travel Company S appears to be a legitimate travel company with positive reviews, Merchant B appears to partner with legitimate small travel agents and the information provided by Mr P is very limited and doesn't include any attempts he made to complain about the incorrect booking and charges with either Company S or Merchant B.

- Further information would be required for me to be fully satisfied that this is a scam, rather than one or more administrative errors. However, to avoid delay and inconveniencing Mr P at this late stage of our process, I considered whether:
 - Nationwide should've processed a refund – for payment 1 – under the APP Scam Reimbursement Rules.
 - Nationwide's recovery attempts were sufficient.
 - Nationwide should've recognised a risk of financial harm and intervened before releasing the two payments.

APP Scam Reimbursement Rules

These were introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam. However, they don't apply here as the rules don't apply to card payments.

Recovery Attempts

As the payments were made by credit card, I would've expected Nationwide to have attempted to recover Mr P's funds from Merchant B and I've seen evidence that this is what they did.

Although file notes were unclear on whether payment 2 was successful, this is what Mr P thought and has now been confirmed.

Regarding Mr P's chargeback claims, Nationwide aren't responsible for the chargeback process. The process is run by global payment networks and although Nationwide attempted a claim for both payments Merchant B contested payment 1 but didn't contest payment 2. But unfortunately, there isn't any information on the merchant's decision to agree one but not the other

The chargeback scheme has strict rules in place, and, in general terms, a refund can be provided where a customer has bought goods or a service which aren't provided or is not what was advertised. Although Nationwide would've passed on Mr P's submissions and his belief that he was tricked into purchasing the flights for someone else, the scheme administrators (not Nationwide) viewed the claim, which included information from both parties, and viewed that the service or goods bought had been provided (even though the flight tickets weren't for Mr P).

I appreciate that this decision may appear unfair but it's the decision of the global payment network. Nationwide's role isn't to adjudicate on chargeback claims submitted or get involved in civil disputes should Mr P choose to take action against Company S or Merchant B.

Regarding a Section 75 claim, as the credit card transactions went to Merchant B who would've more likely than not again said they provided the travel service paid, I'm satisfied this also wouldn't have been successful.

So, having considered Nationwide's chargeback actions, I'm satisfied they treated Mr P fairly by processing his claim and I'm pleased to see that he got some of his money back.

The Payment Services Regulations 2017 (PSR) and Consumer Duty

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 Mr P 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.

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.

Having considered the above PSR and Consumer Duty, even if a scam can be evidenced, I wouldn't have expected Nationwide to have intervened here. Whilst I appreciate the payments followed one another and were large to Mr P, both individually and combined they were relatively low in value. Also, they were to a well-known legitimate business. In addition, Nationwide process thousands of similar payments each day and as mentioned above they have to strike a careful balance when deciding whether to intervene.

So, although I appreciate Mr P would've said he only wanted to pay £300, I don't think it would've been reasonable to have expected Nationwide to have put in place any interventions before releasing the two payments he authorised.

Conclusion

So, having considered all the above, I'm sorry to disappoint Mr P but if this was a scam, I can't see that Nationwide did anything wrong and could reasonably have been expected to prevent his loss.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 March 2026.

Paul Douglas
Ombudsman