

The complaint

Miss J is unhappy Nationwide Building Society ('Nationwide') hasn't refunded her the money she lost after falling victim to an authorised push payment ('APP') investment scam.

What happened

The details of this case are well-known to both parties, so I don't need to repeat them at length here. In summary, Miss J fell victim to a cryptocurrency investment scam.

Miss J came across an individual on a well-known social media platform whom Miss J believed was a trader that worked for a trading company. Miss J was contacted by this individual, and it led to Miss J deciding to invest. Miss J was required to open and send certain amounts through various Payment Service Providers ('PSPs') and was shown screenshots of how her investments were doing. Miss J says she was also told she needed to pay further amounts in order to withdraw her profits. Unable to withdraw her profits, Miss J realised she had fallen victim to a scam.

Below are the relevant transactions in relation to the scam that were made from (or received into) Miss J's Nationwide account. The dates have been taken from the reporting calls between Miss J and Nationwide advisers as confirmed on their systems – so they are the actual dates the payments were executed as opposed to the dates they subsequently showed on Miss J's bank statements.

Payment	Date	Type of transaction	Amount
1	03/09/2022	Card payment to PSP – 'R'	-£50
2	04/09/2022	Card payment to PSP – 'R'	-£602.99
3	06/09/2022	Card payment to PSP – 'R'	-£703.99
4	07/09/2022	Faster payment to payee 1	-£800
5	07/09/2022	Faster payment to payee 1	-£1,000
6	14/09/2022	Faster payment to payee 2	-£1,000
7	22/09/2022	Card payment to PSP – 'M'	-£1,003.99
	27/09/2022	Credit received from the scam	+£940
8	27/09/2022	Card payment to PSP – 'M'	-£1,003.19
9	03/10/2022	Card payment to PSP – 'W'	-£1,000
10	03/10/2022	Card payment to PSP – 'M'	-£1,003.99
11	05/10/2022	Card payment (through Paypal) to payee 'S'	-£202.99
12	05/10/2022	Card payment to PSP – 'M'	-£1,003.99
	06/10/2022	Card payment to PSP – 'R' (*didn't debit the a/c)	£702.98 (N/A)
13	07/10/2022	Card payment to PSP – 'M'	-£1,003.99

Miss J contacted Nationwide on 08 October 2022 to report the matter and to see whether her funds could be recovered or re-imbursed.

Given there were faster payments and card payments, Nationwide seemingly dealt with Miss J's complaint in two parts.

In relation to the card payments, Nationwide (based on what Miss J had informed it) appeared to accept Miss J's testimony that she didn't recognise two of the card payments (payments 8 and 13) and treated them as unauthorised. Nationwide therefore reimbursed Miss J £2,007.18 for those payments. But it doesn't appear Nationwide provided an outcome or answer as to why it didn't consider it wasn't liable to reimburse Miss J for the other card payments that were made as result of the scam.

In relation to the faster payments, Nationwide considered the payments under the 'Contingent Reimbursement Model Code' ('CRM Code'). This was a voluntary code that was in force at the time the payments were made and to which Nationwide was a signatory of. The CRM Code required firms to reimburse customers who have been the victims of Authorised Push Payment ('APP') scams like this in all but a limited number of circumstances.

Nationwide reimbursed Miss J for 50% of her losses on the three faster payments (so £1,400 – which is 50% of the total £2,800 sent). Broadly summarised it considered it hadn't met its standards under the CRM Code and didn't provide an appropriate 'Effective Warning'. But it didn't agree that it was liable to reimburse Miss J in full for the funds she had sent via faster payments as it said one or more of the exceptions to reimbursement applied in this case. In summary this was because it didn't consider Miss J had a reasonable basis of belief that it was a genuine investment and Miss J did not carry out enough checks before making the payments.

Nationwide wasn't also able to recover any of the funds from the beneficiary bank (the bank where Miss J had made the payments to).

Miss J, unhappy with Nationwide's response, brought her complaint to this service. One of our Investigator's considered the complaint. In short, they agreed that Mrs M had acted without a reasonable basis for belief when making the faster payments. So, they considered an exception to full reimbursement under the CRM Code applied. They therefore considered Nationwide's offer of 50% of the loss from the faster payments was fair.

With regards to the card payments, the Investigator considered the initial payments weren't so unusual that Nationwide needed to intervene, but there were multiple card payments on 5 October 2022 (based on the payments as they *appeared* on Miss J's statements) which ought to have indicated to Nationwide that Miss J might be at risk of financial harm. And had Nationwide intervened on the card payment of £1,003.99 to 'M' (payment 12), then it would have reasonably uncovered the scam and prevented the loss. They also thought that as Miss J had received a credit back from the scammer prior to those card payments, it added some plausibility to the scam. So, they thought it would be fair for Miss J to be reimbursed in full for the last two card payments Miss J had made (which would be payments 12 and 13) and that there shouldn't be any deduction for any contributory negligence based on Miss J's actions or inactions. I would add here that I'm mindful the Investigator didn't pick up on the fact that Miss J had already been reimbursed for payment 13 in full.

Nationwide agreed with the Investigator that it could have done more on the card payments (based on the incorrect dates of the payments as set out by the Investigator and as set out on the statements). But it disagreed that it should be liable in full for those payments (with Nationwide also not picking up on the fact Miss J had already been reimbursed for payment 13) and considered Miss J should bear some responsibility for the loss for those payments also.

Miss J considered she should be reimbursed, in full, for all the payments she made.

As the matter wasn't resolved, it was passed to me for a final decision.

I issued a provisional decision on 15 January 2026, as I intended on reaching a different outcome to the one the Investigator had reached. In summary I considered:

For the faster payments Miss J made:

- Nationwide could, under the CRM Code, fairly rely on one of the exceptions to reimbursement – in that Miss J made the payment without a reasonable basis for believing that the payment was for genuine goods or services and/or the person or business with whom she transacted with was legitimate.
- Given the value of the faster payments, I didn't consider Nationwide needed to provide an effective warning, meaning I didn't think it needed to partially reimburse Miss J under the CRM Code for the faster payments. As Nationwide offered and paid 50% in relation to those faster payments (reimbursing Miss J £1,400), I considered that seemed more than fair, all things considered.
- As the faster payments were sent around three to four weeks prior to them being reported as a scam there wasn't any reasonable chance any funds remained that could be recovered by Nationwide from the beneficiary bank.

For the card payments:

- Card payments aren't covered by the CRM Code, as the CRM Code covered or provided protection in relation to faster payments within the UK and between UK domiciled accounts.
- I was persuaded that the card payments were likely authorised by Miss J.
- I wasn't persuaded that Nationwide ought to have been concerned Miss J was at potential risk of financial harm at the point she made the card payments, and not to an extent whereby I would expect it to intervene and question her further about the payments. So, I couldn't fairly say it could have prevented Miss J's loss.
- In considering the card payments, I also took into account that Nationwide had reimbursed Miss J for two of the card payments (payments 8 and 13) totalling £2,007.18, with it treating them as unauthorised. However, as I was persuaded the payments were likely authorised, I didn't consider Nationwide was required to reimburse those card payments. So Nationwide reimbursing those payments seemed more than fair, especially when I took into account that Miss J should reasonably bear some responsibility given the concerns that I consider should have been apparent to her at the time of making the payments.
- I didn't find Nationwide acted unfairly in not raising any chargebacks as they had no reasonable prospect of success as the card payments went to genuine merchants who would have arguably provided their services in moving/sending any funds on.

The customer service Miss J received:

- I acknowledged the service Miss J received was poor and the scam investigation by Nationwide was disjointed with poor communication which clearly left Miss J confused. But I didn't consider a further award of compensation would be fair or reasonable when Miss J had been compensated £3,407.18 for some of the payments made to the scam that I wouldn't be inclined to award.

Both parties had until 29 January 2026 in which to provide any further comments or evidence for me to consider.

Neither party responded with any further comments or evidence within the deadline.

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.

As neither party has provided any further evidence or comments for me to consider, I see no reason to depart from my provisional findings.

For completeness I will reiterate them:

"I'm very sorry to disappoint Miss J but I'm not intending on upholding her complaint. I know she's been the victim of a scam. But having reviewed the evidence and testimony that has been provided along with what happened and what Nationwide has reimbursed Miss J, I don't believe it is liable to reimburse her any further amount. I'll explain why.

First, I am satisfied that Miss J authorised all of the payments that are the subject of this complaint, even though she did so as a result of being deceived by a fraudster. Miss J has confirmed that she provided her sort code and account details to the scammer. However, this wouldn't have enabled the scammers to make the card payments or the faster payments. Miss J has also confirmed that she didn't provide her card number or 3-digit CVV, nor did she provide any passwords for the accounts she opened with the PSPs. So, I can't see how the scammers would have had access to Miss J's card details in order to make the payments. Miss J, due to the confusion caused as a result of the dates of payments as shown on the statements, thought she might not have made some of the card payments. This resulted in Nationwide – reimbursing Miss J for payments 8 and 13 with Nationwide treating them as 'unauthorised' payments. Whereas I find that it is more likely than not that they were authorised by Miss J. This means I don't think Nationwide needed to reimburse Miss J for payments 8 and 13. So Miss J received £2,007.18 from Nationwide when I don't consider it was required to reimburse those payments as a result of them being unauthorised.

Broadly speaking, under the account terms and conditions and the Payment Service Regulations 2017, Miss J would normally be liable for those payments that are authorised. But that isn't the end of the story.

The faster payments Miss J made

Where a customer has been the victim of a scam it may be appropriate for the bank to reimburse the customer, even though payments have been properly authorised. Of particular relevance to the question of what is fair and reasonable in this case is the CRM Code.

The CRM Code required Firms to reimburse customers who have been the victims of APP scams like this, in all but a limited number of circumstances. Under the CRM Code, a Sending Firm (in this case Nationwide) may choose not to reimburse a customer if it can establish that:*

- *The customer made payments without having a reasonable basis for believing that: the payee was the person the Customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.*
- *The customer ignored what the CRM Code refers to as an “Effective Warning” by failing to take appropriate action in response to such an effective warning.*

**Further exceptions outlined in the CRM Code do not apply to this case.*

In this case, I think Nationwide has been able to establish that it may choose not to reimburse Miss J under the terms of the CRM Code. I’m persuaded one of the listed exceptions to reimbursement under the provisions of the CRM Code applies.

Taking into account all of the circumstances of this case, including the characteristics and complexity of the scam, I don’t think Miss J had a reasonable basis for believing the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.

In order to determine whether this exception to reimbursement applies, I must ask if she made the payments she did whilst having a reasonable basis for belief that all was genuine. Having carefully reviewed everything I’m afraid I don’t find that’s the case. I’ll explain why.

- *Miss J came across the investment through a well-known social media platform. It appears – from what she has said in her calls with Nationwide that she didn’t carry out any checks on the company and took at face value what she was being told from the scammer. While I accept that some firms may utilise social media to promote an investment or business, here all the contact was seemingly carried out on social media which I don’t think a legitimate and professional business would do. And it would be reasonable to expect that more formal communications take place.*
- *Miss J also didn’t enter into any formal agreement with the supposed broker or firm or receive any paperwork or contract setting out the terms of the investment arrangement.*
- *Miss J was instructed to open accounts with multiple PSPs to send her funds to. I think it is reasonable to suggest that if it was a legitimate investment firm or trading platform – then Miss J would be making payments either to an account in a firm’s name or to an account in her own name if with a legitimate trading platform. And being asked to open multiple PSP accounts to make payments ought to have raised doubts about what she was being asked to do and who she was sending funds to.*
- *Miss J was also promised returns of £20,000. Looking at the payments Miss J made – some of the later payments were for withdrawal fees. So arguably Miss J’s investment had tripled (or quite possibly even more than that) and within a very short space of time – a matter of weeks. These returns are simply too good to be true. And I can’t see that Miss J questioned how such high levels of returns could be guaranteed or realised and within such a short time frame also.*
- *While Miss J did receive a credit back from the scammer of £940, I don’t think that negates the clear warning signs that were apparent from the outset and throughout that it wasn’t a legitimate venture and was likely a scam.*

All things considered, I'm satisfied Miss J should've had reasonable cause for concern that things might not be as they seem at the time she made the faster payments. But it doesn't appear that she made adequate enquiries into the legitimacy of things or what she was being told. I might understand how in isolation any one of these things may not have prevented Miss J from proceeding. But when taken collectively I think there were sufficient red flags here that reasonably ought to have led Miss J to have acted far more cautiously than she did.

So, I think Nationwide can fairly rely on one of the exceptions to reimbursement – that Miss J made the payment without a reasonable basis for believing that the payment was for genuine goods or services and/or the person or business with whom she transacted with was legitimate.

Good industry practice requires that regulated firms such as Nationwide engage in the monitoring of customer accounts and to be on the lookout for suspicious or out of character transactions with an aim of preventing fraud and protecting customers from financial harm. And under the CRM Code, where it identified a risk of a customer falling victim to an APP (faster payments) scam, it was required to provide that customer with an 'Effective Warning'.

We now know, with the benefit of hindsight, that Miss J was falling victim to a scam. But based on the information that was available to it at the time, I don't consider Nationwide would've had any reasonable basis for coming to that conclusion. I say this because the faster payments wouldn't have appeared so out of character or unusual. The payments weren't particularly large or remarkable. So, I don't think the CRM Code required that Nationwide display an effective warning as part of the payment process, and I'm not persuaded it would've had any grounds for intervening to question the faster payments further with Miss J before allowing them to be processed.

However, while I don't consider Nationwide needed to provide an effective warning, meaning I don't think it needed to reimburse Miss J under the CRM Code for the faster payments, Nationwide offered and paid 50% in relation to those faster payments reimbursing Miss J £1,400. So that seems more than fair all things considered.

Recovery of funds – for the faster payments

Unfortunately, the faster payments were sent three to four weeks prior to them being reported as a scam to Nationwide. Sadly, it is common for fraudsters to withdraw or move the money on as quickly as possible. So, it was sadly always likely that the funds had already been moved on, meaning there wasn't any reasonable chance any funds remained that could be recovered from the beneficiary bank.

The card payments

Card payments aren't covered by the CRM Code, as the CRM Code covered or provided protection in relation to faster payments within the UK and between UK domiciled accounts. That means the card payments Miss J was duped into authorising aren't covered by the CRM Code.

As alluded to earlier, Nationwide should be on the lookout for suspicious or out of character transactions with an aim of preventing fraud and protecting customers from financial harm. Based on the dates the card payments were made (so consent and authorisation given for execution of those payments), as opposed to the dates the payments subsequently showed on the statements, I'm not persuaded that Nationwide ought to have been concerned Miss J was at potential risk of financial harm at the point she made the card payments, and not to an extent whereby I would expect it to intervene and question her further about the payments. I accept that Miss J made several payments to different PSP's, but it was over the course of a month. The amounts weren't so large and there wasn't such a pattern that was indicative of fraud. Initially there was a concern from our Investigator that there were three payments made on one day (5 October 2022), however that was incorrect as it was based on the statement data and not the dates the payments were actually made. Given the amounts, and that the payments were made over the course of a month, I don't think it is unreasonable that payments didn't flag as suspicious or that Nationwide didn't intervene.

When considering the card payments, I have to also take into account that Nationwide has reimbursed Miss J for two of the card payments (payments 8 and 13) totaling £2,007.18, with it treating them as unauthorised. However, as explained above, I'm persuaded they were likely authorised, so I don't consider Nationwide was required to reimburse those card payments. Given Nationwide has reimbursed those payments, that seems more than fair, especially when I take into account that Miss J should reasonably bear some responsibility given the concerns that I consider should have been apparent to her at the time of making the payments.

I also don't think that Nationwide would have been able to recover the card payments for Miss J through any other method such as a 'chargeback'. There is no statutory right for a chargeback to be raised, and a chargeback is not an absolute right for consumers. Here, the card payments went to genuine merchants (the PSPs) – who would have arguably provided its services in moving/sending any funds on – so the chargeback wouldn't have had any reasonable prospect of success and would most likely be defended by the merchants. I don't find Nationwide acted unfairly in not raising any chargebacks as they had no reasonable prospect of success. So, I don't find Nationwide could have reasonably done anything further to recover the loss in relation to the card payments through any other means.

The customer service Miss J received

Overall, it's clear that Miss J didn't receive the best customer service from Nationwide. It had two different departments looking at the card payments and the faster payments. And it didn't really explain to Miss J what was going on and what she could expect and when by. Nationwide subsequently reimbursed two card payments without telling Miss J why and didn't communicate to her why it wasn't reimbursing the other card payments or that it wouldn't be raising a chargeback. Miss J asked for a better explanation as to what was going on with the payments and why some were reimbursed and some weren't, and Nationwide didn't act on that when it should have. Miss J also then received a letter solely in relation to the faster payments offering 50% (£1,400), and when Miss J followed up querying about the other payments made to the scam (the card payments) Nationwide didn't respond.

So, the service Miss J received was poor and the scam investigation was disjointed and there was poor communication which clearly left Miss J confused as to what was happening and why she was being reimbursed for some payments and not others. However, I am mindful that Nationwide's poor and disjointed investigation also led to Miss J receiving £2,007.18 for two of the card payments and £1,400 which was 50% of the faster payments, when I reasonably consider it wasn't required to reimburse those amounts. So, I don't consider a further award of compensation would be fair or reasonable here when Miss J has

been compensated £3,407.18 for some of the payments made to the scam that I wouldn't be inclined to award.

I'm very sorry Miss J lost her money to a scam, and I don't underestimate her strength of feeling and why she thinks this money should be returned. But for the reasons explained, I think what Nationwide has reimbursed Miss J is more than fair as I don't consider it was liable to reimburse under the CRM Code (for the faster payments) nor was it liable in some way for the card payments."

My final decision

For the reasons given above and within my provisional decision, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 27 February 2026.

Matthew Horner
Ombudsman