

The complaint

Mr and Mrs B are complaining about Nationwide Building Society because it declined to refund money they lost as a result of fraud.

What happened

Sadly, in November 2025, Mr and Mrs B fell victim to a cruel scam after they received an email they believed was from a friend. The email asked them to buy a gift card on their behalf. Unaware the email wasn't actually from the friend but a scammer, they followed the request and purchased a £400 gift card online using their Nationwide credit card. They then forwarded the code to the scammer, again thinking they were sending this to their friend.

Our investigator didn't recommend the complaint be upheld. He didn't think Nationwide should have identified the payment as suspicious and prevented it. He also didn't think there were any grounds on which the payment should be refunded.

Mr and Mrs B didn't accept the investigator's assessment and expressed their disappointment at Nationwide's decision not to refund their money. They've also mentioned that they've read about at least one other person who was refunded by their bank in similar circumstances.

In line with Mr and Mrs B's request, the complaint has now been referred to me for review.

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 overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

I note Mr and Mrs B have read about at least one other consumer who they say was refunded in similar circumstances. But I must deal with their case on its own merits and I don't have enough information about the other case(s) to comment on them anyway.

There's no dispute that Mr and Mrs B authorised this payment. In broad terms, the starting position at law is that Nationwide would be expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Nationwide also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Nationwide acted fairly and reasonably in its dealings with Mr and Mrs B.

The payment

I must take into account that many similar payment instructions Nationwide receives will be entirely legitimate. I also need to consider its responsibility to make payments promptly.

Having considered what Nationwide knew about the payment at the time, I'm not persuaded it ought to have been concerned. The amount was relatively low and was being sent to a legitimate merchant. The payment also wouldn't have appeared to be particularly out of character compared to Mr and Mrs B's previous spending patterns. In the circumstances, I don't think there were sufficient grounds for Nationwide to suspect Mr and Mrs B were at risk of harm from fraud when they made the payment and I can't say it was at fault for processing it in line with their instructions.

I want to be clear that it's not my intention to suggest Mr and Mrs B are to blame for what happened in any way. They fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why they acted in the way they did. But my role is to consider the actions of Nationwide and, having done so, I'm not persuaded these were the cause of their loss.

Recovery of funds

I note Mr and Mrs B reported the scam to Nationwide later on the same day. Unfortunately the payment had already been approved by this time and there was nothing that could be done to stop it.

Mr and Mrs B aren't due any refund under the industry's reimbursement scheme for authorised push payment (APP) fraud as this doesn't cover payments made by card. The correct means for recovering credit card payments would be through a Section 75 or a chargeback claim. But as the investigator explained, I don't think these routes would have led to successful claims either. That's because they paid a legitimate merchant and received the service they paid for. Their disagreement is with the scammer not the merchant and Nationwide couldn't process a claim against the scammer as Mr and Mrs B didn't pay them directly.

In conclusion

I recognise Mr and Mrs B have been the victims of a cruel scam and I'm sorry they lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Nationwide acted fairly and reasonably in its dealings with them and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 April 2026.

James Biles
Ombudsman