

The complaint

Miss C is complaining about Nationwide Building Society because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Miss C fell victim to a cruel investment scam after she was introduced to a fake investment scheme by a trusted friend who told her about the returns she was making. In making her complaint, Miss C says she funded the scam with two card payments of £1,792.24 on 20 February 2021. These payments went to a cryptocurrency account in her own name from where it was transferred to the scammers.

Our investigator didn't recommend the complaint be upheld. She didn't think there was enough evidence to show the money was lost to a scam and didn't feel the nature of the payments was sufficient to alert Nationwide to the possibility she was falling victim to fraud.

Miss C didn't accept the investigator's assessment. She provided further evidence from the time and also said that these payments represented a significant change in her account activity and should have been questioned by Nationwide at the time.

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. 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.

The scheme Miss C has referred to is widely accepted to have been a scam and she's now provided evidence showing she was engaged with it. On balance, I think the evidence indicates these payments were indeed lost to the scam.

There's no dispute that Miss C authorised these payments. In broad terms, the starting position at law is that Nationwide is 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 Miss C.

The payments

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

Having considered what Nationwide knew about the payments at the time, I'm not persuaded it ought to have been particularly concerned about them. While they were going to an institution with links to cryptocurrency, the amounts were relatively low and the connection between cryptocurrency and investment scams was less well established at this time than they have since become. In addition, account statements show Miss C had made previous payments to the same company, albeit for much lower amounts, in July 2020 and earlier in February 2021 without reporting any issues. In the circumstances, I don't think there were sufficient grounds for Nationwide to think she was at risk of harm from fraud when she made the payments and I can't say it was at fault for processing them in line with her instructions.

Even if I were to conclude that Nationwide should have identified Miss C was at risk of harm from fraud, I wouldn't have expected it to do any more than show her a written scam warning. And given she invested on the recommendation of a trusted friend who she believed had made positive returns, I don't think I could reasonably conclude that this would have stopped her from wanting to go ahead with the payments.

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

Recovery of funds

Miss C isn't due any refund under the industry's reimbursement scheme for authorised push payment (APP) fraud as these payments were made by card rather than bank transfer and were sent to another account in her own name. The correct method for recovering card payments is the chargeback scheme but Miss C didn't report the scam to Nationwide until some years later after the normal timeframe for making a claim had expired. In the circumstances, I don't think anything Nationwide could have done differently would likely have led to those payments being recovered successfully after this period of time.

In conclusion

I recognise Miss C has been the victim of a cruel scam and I'm sorry she 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 her

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 Miss C to accept or reject my decision before 19 May 2026.

James Biles
Ombudsman