

## The complaint

Mr H is unhappy after Nationwide Building Society decided not to refund him, after he said he was the victim of an Authorised Push Payment (APP) scam.

## What happened

Mr H says he used an online website to buy an item. He made a bank transfer of £208.60 but when the item didn't arrive, he reported it as a scam to Nationwide.

Nationwide decided not refund him as it said the item he was purchasing, meant it didn't meet the definition of a scam.

Mr H was unhappy with the way Nationwide staff spoke to him when asking him questions at the initial stages of the complaint and when letting him know the outcome of his complaint. Nationwide reviewed its complaint handling but said it gathered information appropriately and provided its answer in a professional manner.

One of our investigators looked into the complaint. He said Nationwide didn't need to refund Mr H. He considered Nationwide's application of the Contingent Reimbursement Model (CRM) Code. Where it says at:

DS1(2)(ii) the scope of an APP scam is where *"The Customer transferred funds to another person for what they believed were legitimate purposes..."*.

The investigator didn't think Mr H believed the purchase was for legitimate purposes and he went on to list out the item Mr H was intending to purchase and why it didn't meet that definition.

Mr H responded to say he didn't agree. He said Nationwide had a duty to refund him. As the complaint couldn't be resolved it was passed to me for final decision.

## 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'm not upholding this complaint.

Nationwide is a signatory of the Lending Standards Board CRM code which requires firms to reimburse customers who have been the victims of APP scams in all but a limited number of circumstances. Nationwide says the code doesn't apply here because the purchase Mr H made doesn't fall under the scope of the code.

I have considered this carefully and what Mr H has told us about the purchase and his personal circumstances. I won't list those in full here but in summary Mr H hasn't provided any evidence to support that the purchase was being made legitimately, as he claims. I'm

satisfied that Mr H would not have thought he was making a payment for a legitimate purpose, even if he had his own personal reasons and circumstances for doing so.

As I don't think the circumstances here satisfy the definition of a scam, this matter is not covered by the CRM Code and I don't think Nationwide made a mistake in refusing his claim. And I haven't found any other reason why Nationwide ought to refund him.

Overall, while I'm sympathetic to Mr H and I know this will be very disappointing for him, the evidence doesn't support that this is a scam for the purposes of the CRM code. And that means that Nationwide aren't responsible for Mr H's loss and had no obligation to try and recover his money.

### **My final decision**

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 September 2023.

Sophia Smith  
**Ombudsman**