

The complaint

Miss N complains that Nationwide Building Society ('Nationwide') won't refund all the money she lost in a scam.

What happened

Miss N received a message from someone who claimed to be from a recruitment company. The message said there were a number of vacancies and flexible working was available. Miss N was asked if details could be sent to her via a messaging app. She then heard from a representative of a company I'll call S. The role with S involved completing tasks to generate sales on a platform. Miss N was required to buy cryptocurrency and send it to wallet addresses provided to her.

Miss N made the payments in the table below. Recipients one to three are providers of cryptocurrency through a platform and recipient four is a different cryptocurrency platform.

Date	Amount	Recipient
30/01/23	£95	1
30/01/23	£10	1
01/02/23	£117	1
01/02/23	£135	2
01/02/23	£150	2
02/02/23	£150	2
02/03/23	£350	2
02/02/23	£120	3
03/02/23	£2,000	4
14/02/23	£1,340	4
TOTAL	£4,467	

Miss N attempted to make another £2,000 payment to recipient four on 20 February 2023, but the transaction was blocked and she was required to speak to Nationwide about it. During that call Miss N was advised by the Nationwide advisor that he thought she was being scammed. She was asked to provide evidence and her account remained blocked until she did so. While her account was still blocked Miss N realised that she was the victim of a scam and called Nationwide to report what had happened.

Nationwide refunded 50% of Miss N's loss (£2,233.50). It said that it gave an incorrect warning, and that Miss N didn't have any reason to believe the opportunity she was offered was genuine.

Miss N was unhappy with Nationwide's response and brought a complaint to this service.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. She felt that Nationwide acted reasonably in refunding 50% of Miss N's loss. This was because Miss N didn't do enough to satisfy herself that the job/investment opportunity she was offered was genuine, particularly as there were red flags that ought to have concerned her. Finally, the investigator said there was nothing Nationwide could have done to recover Miss N's funds.

Miss N didn't agree with the investigator's findings and asked for a final decision. She said that she thought the job offer was genuine because she had previously registered with recruitment agencies.

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.

In deciding what's fair and reasonable, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Whilst I'm very sorry to hear about this cruel scam and the impact it has had on Miss N, I'm satisfied that Nationwide has already paid Miss N more than I would recommend in refunding 50% of her total loss.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

The Lending Standards Board's Contingent Reimbursement Model Code (CRM Code) only applies to faster payments between UK GBP denominated accounts, so it isn't relevant here. Miss N bought cryptocurrency from legitimate sources which she then transferred to wallets controlled by scammers.

I would expect Nationwide to be on the lookout for, and to protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears to be unusual and out of character. So I've considered whether Nationwide ought reasonably to have intervened when Miss N made the payment requests.

There wasn't anything remarkable about the early transactions Miss N made that were for £350 or less. Miss N had made previous transactions for similar amounts, so there was no reason for Nationwide to have any concerns about them. I accept that the £2,000 transaction was more significant, but also believe that there's a balance to be struck – banks have obligations to be alert to fraud and scams, but they can't reasonably be involved in every transaction as this would cause huge disruption to legitimate payments. So I don't think Nationwide needed to do anything when Miss N made the payments of £2,000 and £1,340, particularly as there was an 11 day period between them.

Even if I thought Nationwide should have intervened when either of these payments were made, I wouldn't be asking Nationwide to do anything more. I say this because Nationwide has already refunded 50% of both of these transactions. I wouldn't award any more as I consider there were concerning factors that ought reasonably to have led Miss N to be concerned about the legitimacy of the job/investment she was offered. She was contacted out of the blue on a messaging app by someone who didn't demonstrate he had any link with any of the recruitment agencies Miss N had registered with and was asked to buy cryptocurrency to make upfront payments in respect of a job.

Nationwide intervened on 20 February 2023 when Miss N tried to make a further payment to the same cryptocurrency exchange the £2,000 and £1,340 payments were made to. I'm

satisfied that Nationwide acted reasonably in intervening at this point. Having listened to the call between Miss N and a member of the Nationwide fraud team I believe Nationwide did a good job in the call. The Nationwide representative asked relevant and probing questions and was clear that he thought Miss N was being scammed. He said that no further payments could be made until Miss N provided specified evidence that would demonstrate Miss N's funds were safe. This evidence wasn't provided and ultimately Miss N realised that she was the victim of a scam.

Nationwide has already refunded 50% of Miss N's loss which is more than I consider it needed to reimburse, so I'm not asking Nationwide to do anything more.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 31 January 2024.

Jay Hadfield
Ombudsman