

The complaint

Mr S complains Nationwide Building Society (Nationwide) won't refund the money he lost when he fell victim to an investment scam.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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've decided not to uphold it. I'll explain why.

In line with the Payment Services Regulations 2017, Nationwide is expected to execute authorised payment instructions without undue delay. As Mr S authorised the payments he's disputing, albeit due to being tricked by a scammer, the starting position is that he's liable for them.

However, there are circumstances when it might be appropriate for Nationwide to take additional steps before processing a payment. Such as when there are grounds to suspect it presents a fraud risk. That might occur when a payment is significantly unusual or uncharacteristic compared to the normal use of the account. And/or if the account activity fits a known pattern of fraud.

It appears Mr S didn't use his account regularly. Regardless, I'm not persuaded these payments were so unusual that Nationwide had cause for concern. They were spaced out, so it didn't appear Mr S was being pressured. And none were for significantly high amounts. This was a current account, and held a reasonable balance, so I don't think it would have looked suspicious to Nationwide that Mr S would occasionally use it to make payments.

While Mr S says the payments cleared his balance, this didn't happen all at once. He started with a balance exceeding £3,000. In that context, I don't think the first scam payment of £1,000, utilising less than a third of his available balance, looked concerning. The next payment was around a week later, and still left a balance of over £1,000. Although the third payment (again around a week later) used most of the balance, it didn't completely clear the account. And by that point, the pattern of transactions looked regular.

There was a further gap of around three weeks before the final scam payment, which again fitted this pattern – and the account was topped up prior. So I don't think this looked suspicious either.

Nationwide initially didn't make it clear whether these payments were card payments or bank transfers. It has since clarified they were transfers. As our investigator covered off, the payments were sent to an account in Mr S's name, which he set up, before being sent on to the scammer. So they don't fall under the scope of the Contingent Reimbursement Model (CRM) code, as it doesn't cover me-to-me payments. And Nationwide couldn't have successfully recalled the funds when the scam was reported – as they had been moved on from the account they were sent to. Otherwise, Mr S could have retrieved them himself.

I don't doubt Mr S has lost out to a scam. But I'm not persuaded it's fair to expect Nationwide to reimburse him for this, or to take other action to put things right. That's because I'm not persuaded Mr S's loss is attributable to any errors by Nationwide.

My final decision

For the reasons given above, 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 S to accept or reject my decision before 28 December 2023.

Rachel Loughlin
Ombudsman