

The complaint

Mrs W through a representative complains that Nationwide Building Society (“Nationwide”) won’t refund the money she lost as part of a scam.

What happened

The background to this complaint is well known to both parties, so I’ll only refer to some key events here.

In 2022 Mrs W was in contact, via a careers based social media platform, with a scammer that I will call B. B said he is an experienced crypto trader. B convinced Mrs W that she should invest in his trading platform and explained how she could make money from crypto trading using his platform.

Mrs W made the following transactions via debit card

Transaction Number	Date of Payment	Merchant	Amount
1	11/06/2022	Crypto.com	£1,019.14
2	16/06/2022	Crypto.com	£9,352.30
3	18/07/2022	Crypto.com	£17,972.34
4	25/07/2022	Crypto.com	£16,014.21

These payments were then converted from pounds into a crypto currency and the crypto currency was then sent to a fake trading platform that was controlled by B. Mrs W tried to withdraw some of her funds, but was unable to do so without paying further fees. After some back and forth between herself and B, she realised that she had been scammed.

Mrs W made a complaint to Nationwide and requested that the above transactions be refunded. Nationwide in response to the complaint refunded 50% of transaction 2,3 and 4 and paid an additional £250 to reflect the distress and inconvenience caused by the delays in its response.

One of our investigators looked into this matter and they concluded that what Nationwide had already done was sufficient. Since this Nationwide has agreed to add 8% annual simple interest to the refund from the date of the transactions to the date of settlement.

Mrs W’s representative did not agree with this outcome. So, this complaint has been passed to me to issue a 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.

In this instance both parties agreed that Nationwide should have intervened during the scam and that had an intervention occurred the scam would have been stopped. What is in dispute is whether what Nationwide has already done to rectify this matter is fair and reasonable.

So, with this in mind I need to consider whether a refund from transaction two is appropriate, then whether the 50% deduction is appropriate and finally if Nationwide could have recovered the funds via other means.

In relation to the refund being from transaction 2 onwards I think that this is appropriate. I say this because the first transaction was not large enough or unusual enough to have prompted an intervention or questions from Nationwide. So, I think that a refund from transaction 2 is appropriate and in line with what I would have recommended.

In relation to the 50% deduction, I've thought about whether Mrs W's actions contributed to her losses. Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions.

In this instance, Mrs W met the scammer through a career orientated social media platform. The person contacted her in an unsolicited manner. As far as I can tell, Mrs W was not looking for investment advice at this point and within a relatively short amount of time, without actually meeting the scammer in person, she was transferring large sums of money on their advice.

I can't see that Mrs W did any substantial research or carried out any checks to determine that the scammers representations were true especially as I can't find anything about B even using a historical website archive tool. I can find a company with a similar name to B so if any research was done by Mrs W it would not have been on the correct company. Given the substantial sums involved, I don't think it reasonable for Mrs W to have only done research on a similar company rather than the actual company she was dealing with. I note Mrs W's representatives' comments that Mrs W was not an experienced investor and her native language is not English but overall I think the difference in name is sufficiently clear that it was not reasonable to mistake them to be the same company.

I also note Mrs W's representative comments in relation to the factors that it feels contributed to Mrs W being susceptible to being scammed. I have carefully considered this but overall Mrs W seems to have placed a lot of trust in a very short period of time with someone she did not really know, who approached her out of the blue and without researching the actual company that she was dealing with. So even taking into consideration the mitigating factors that Mrs W's representative has mentioned I think that she is partially responsible for her own loss, so I'm satisfied a 50% deduction is fair and reasonable in the circumstances.

In relation to the £250 that Nationwide already paid for delays in its investigation I think that this is reasonable and I don't think that it needs to do anything more.

Finally, I have considered whether Nationwide could have recovered the payments in question. In this instance as the payments were card payments in some instances the payments could be recovered by instigating a chargeback. However, in the circumstances of this complaint I don't think a chargeback would have been successful as Mrs W did receive the crypto she paid for before it was transferred on to B.

So, taking everything into consideration I think that what Nationwide has already agreed to do is fair and reasonable, so I uphold this complaint in part.

Putting things right

- Nationwide Building Society should refund 50% in total of transaction 2,3 and 4 if not already refunded. My understanding is that this has already been refunded.
- Pay 8% simple interest annually from the date of each transaction to the date of settlement less any tax lawfully deductible.

My final decision

My decision is that I uphold this complaint in part and require Nationwide Building Society to pay redress as outline above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 9 January 2024.

Charlie Newton
Ombudsman