

The complaint

Mr S complains that Nationwide Building Society ("Nationwide") has failed to refund over £16,000 he lost to an investment scam.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I will focus on providing the 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 agree with the conclusions reached by the investigator for the following reasons:

- It isn't in dispute that Mr S authorised the disputed payments he made to his crypto wallet from his Nationwide account (where his funds were subsequently transferred on to the scammers "Chase Capital Online" from his crypto wallet). The payments were requested by him using his legitimate security credentials provided by Nationwide, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether Nationwide should have done more to prevent Mr S from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- I appreciate that overall, Mr S has lost over £16,000 which is a significant amount of money. But this amount wasn't paid in one large or 'out of character' transaction. It was spread over six separate smaller increments which, in my judgment, would not have appeared particularly unusual or out of character when compared with Mr S's spending history. I can see from Mr S's statements that he had made much larger payments in the past than any of those he made as part of the scam. So, I don't think there was any reason for them to have been regarded as suspicious or indicating that he might have been at risk of falling victim to a scam. Therefore, I'm not persuaded there was anything that ought reasonably to have triggered Nationwide's fraud monitoring systems.
- I appreciate that Mr S did call and speak to Nationwide on 7 February 2022 to ask about Chase Capital Online and whether it was legitimate. The call handler explained that the merchant was not on its list of registered crypto asset businesses and offered to put him through to the fraud team if he wanted to seek further advice, but that he would have to wait in a queue. They also said he could review their website which gives further information about investing in cryptocurrency. Mr S chose to review Nationwide's website rather than waiting to speak to its fraud team. And given the payments he was making wouldn't have appeared overly unusual or given Nationwide cause for concern, I don't think the call handler ought to have insisted on Mr S speaking to the fraud team.

- Nationwide advised Mr S to review their web pages about investing in cryptocurrency and offered him the choice of waiting to speak to its fraud team, which I think was proportionate in the circumstances. And despite having reviewed the information on Nationwide's website after having reservations, he still proceeded to make payments to the scammer. So, even if he *had* spoken to the fraud team, it seems doubtful whether any scam warning would've likely prevented him making further payments in any event, and I note the FCA warning about the merchant had not been published at that point either.
- Nationwide also offered £100 compensation for not putting Mr S through to its fraud team. But given this option was offered to Mr S, I'm not persuaded it needs to pay any further compensation, and I'm satisfied its offer is fair in the circumstances.
- Nationwide are also under no obligation to refund the money Mr S lost under the Contingent Reimbursement Model either, as the Code only applies to transfers made to another person. In this instance, the payments were made to Mr S's own crypto wallet and therefore were not made to another person, meaning the CRM Code would not apply.

I appreciate this will likely come as a disappointment to Mr S, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Nationwide can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, 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 8 September 2023.

Jack Ferris
Ombudsman