

## The complaint

Miss F complains Nationwide Building Society unfairly refused to refund her unauthorised transactions on her account.

## What happened

Miss F contacted Nationwide in February 2023 about transactions on her account which she didn't recognise. There were seven transactions in total which were all completed through mobile banking to a new payee which I'll refer to as payee T. The transactions are detailed below.

Date of payment	Amount
28/01/2023	£0.05
29/01/2023	£599.14
29/01/2023	£30.00
30/01/2023	£29.00
3/02/2023	£1,000.00
03/02/2023	£1,000
05/02/2023	£598.00
<b>Total</b>	<b>£3,256.19</b>

Nationwide reviewed Miss F's account and the disputed transactions. During this review it found there hadn't been a clear point of compromise for Miss F's card, PIN and phone to access to online banking as Miss F says none of her details were shared with a third party. Nationwide said it wouldn't be refunding the transactions, and explained if Miss F could provide further details, it would review its position.

As part of its review Nationwide paid Miss F £75 in recognition of the poor service she received when she raised her complaint. In particular Miss F didn't receive a call back when promised and for Miss F's middle name being added to a statement.

Miss F remained unhappy with Nationwide's review of her complaint and using a representative referred her complaint to this service. An Investigator reviewed Miss F's complaint and gathered evidence from both Miss F and Nationwide. The Investigator concluded that Nationwide had acted reasonably in declining Miss F's fraud claim.

Dissatisfied with the Investigator's review, Miss F asked for her complaint to be reviewed by our service. I issued a provisional decision on 9 May 2024.

## 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.

Nationwide responded to my provisional decision explaining it accepted my recommendations. Miss F didn't provide a substantive response. The deadline has now passed, and as no further substantive issues have been raised, my provisional decision remains unchanged. I include my provisional findings below.

### Provisional decision

*When considering what is 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 good industry practice at the relevant time.*

*Miss F is represented in this complaint, and I can see detailed submissions have been provided about Miss F's complaint. I'm also aware that I've summarised this complaint briefly. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. This simply reflects the informal nature of our service.*

*Firstly, I am sorry to see Miss F has had cause for complaint. I don't underestimate the worry and anguish this situation has caused, and also the stress of dealing with the complaint about it. Having looked at the complaint fully, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out and for much the same reasons. I will explain why.*

*Under the relevant regulations – the Payment Services Regulations 2017, Miss F is liable for transactions she has authorised – either by carrying them out himself or giving permission for another party to carry them out on her behalf. The PSRs 2017 also set out that where a payment isn't authorised by the account holder, they may still be liable for it if they've failed with intent or gross negligence to adhere to the terms of their account or keep their personalised security credentials safe.*

*There are occasions when people can be persuaded to make a payment or share their banking details, not realising that it's part of a scam or that this third party will utilise their details to make transactions they don't consent to. Or an individual can be pressured to provide access to their account. Both Nationwide and our Investigator have provided Miss F and her representative the opportunity to provide details about the account activity and her circumstances at the time. I can see throughout Miss F's complaint she has maintained that she was in possession of her phone and card and hadn't disclosed her banking credentials to a third party. Miss F also maintains the payments were made without her knowledge and authorisation. I must therefore consider her complaint on this basis.*

*Firstly, I've carefully considered the technical evidence Nationwide has relied on to decline Miss F's fraud claim. Looking at Miss F's bank statements there is a notable change in activity from the end of January 2023. I can see the new payee T is set up, and there are a number of transfers to and from this payee. In order to set up a new payee access to Miss F's PIN, card and a generated code that would be sent to her device would be required. This means that a third party would've had to access a number of details, along with Miss F's phone and card to set up the payees. Nationwide has confirmed there were no PIN reset requests during this period. Based on Miss F's comments it's difficult to establish how all these details could've been accessed by an unknown third party.*

*Nationwide's records also show that three new devices are registered to Miss F's account during this period. For the devices to be registered access to Miss F's account and online banking credentials would be needed. The fact multiple devices are added to the account in a short space of time suggests third party access. But given the details required to add a new device I think it's reasonable for Nationwide to conclude Miss F must've enabled this*

access.

*The transactions Miss F has claimed are fraudulent are spread over a week and I have to keep in mind this pattern doesn't match what is typically seen in cases of unauthorised use. Usually if a third party somehow obtains access to an account, they spend the available amount quickly to maximise their gain before the activity is identified by the account holder. The transactions in Miss F's case vary in value and appear to take place at very different times of day and involve transfers to individuals. This poses a greater risk to those carrying out the transactions and it seems implausible that an unknown third party would've taken these risks to carry out the transactions in this manner.*

*I have to also consider the fact Miss F's general spending on the account abruptly stops when the disputed transactions begin. Given this appears to be Miss F's main account, with frequent spending for day to day living I find it unusual that there would be such a significant change at the same time the account may have been compromised. I can also see that there were no attempts at further transfers once Nationwide had been made aware of the issues. Overall, having considered everything, all of the available evidence points to it being more likely than not that Miss F provided authority for the transactions and enabled her account to be accessed. I realise that this is not the outcome Miss F was hoping for, and she will be disappointed by the provisional decision I've reached. As such, I cannot fairly and reasonably require Nationwide take any further action in relation to this matter.*

### **My final decision**

For the reasons explained above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 3 July 2024.

Chandni Green  
**Ombudsman**