

The complaint

Mr U complains that Nationwide Building Society failed to tell him he needed to repeat a payment after his card was unblocked.

What happened

Mr U is a member of a hotel reward programme. In June 2023 the hotel group had a points sale where it doubled the points purchased. At around 5pm on 26 June Mr U attempted to purchase 125,000 points using his Nationwide credit card. The transaction was for £985.57.

Mr U said when he tried to make the payment a message appeared advising him his credit card details were incorrect and to try again. He said he made another 2 or 3 attempts making sure his credit card details were correct but received the same message. He said he then received a text from Nationwide at 5.12pm advising him that his card was used at 5.10pm for £985.57 and requesting him to reply "Y" to remove the block on the transaction. He said the text also provided a phone number and he said he decided to call the number at 5.18pm as he had made a few attempts to make the payment and was concerned that one of the other attempts may have gone through. He said when he called the number it was an automated system, so he just confirmed it was him making the purchase.

A few days later Mr U discovered the transaction hadn't gone through, so he complained to Nationwide.

In its final response Nationwide said that Mr U called its automated line that removed the restriction on his account. But, it said, he would still have needed to make the payment again if he still wanted to proceed with the transaction.

Mr U brought his complaint to this service. He said:

- He didn't ever recall having to make a payment again after similar situations with other credit cards;
- When requested to confirm a credit card transaction, it's often when making a payment to a company for the first time, but he said he's used this payee previously;
- How was he to know he had to make the payment again. He said this could've been added to the text message. He said the automated system he used to confirm it was him making the payment made no reference for the need for him to make the payment again.
- Nationwide recommend members check their accounts to see if a blocked transaction has been processed but he said he has never received such a recommendation;
- Had he thought the transaction had failed he would've made the purchase with another card.

Our investigator issued two views. After issuing his first view Nationwide provided evidence it had informed Mr U he would need to make the transaction again. Mr U didn't agree and asked for a decision from an ombudsman.

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.

I trust Mr U won't take it as a discourtesy that I've condensed the complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it to reach the right outcome.

I realise this will come as a disappointment to Mr U but having done so I agree with the conclusions reached by the investigator for the following reasons:

When Mr U opened his credit card account he signed a credit agreement. By doing so he agreed to be bound by its terms and conditions. I've seen a copy of these terms. In them it says:

- *We may, acting reasonably, refuse to allow a transaction if:*
 - *we have identified an unusual pattern of transactions with the supplier you are trying to pay;*
 - *you are already over your credit limit, or the transaction will take you over your credit limit;*
 - *we suspect unauthorised, fraudulent, or illegal use of your card or account;*
 - *our security controls require you to produce additional identification, or prevent us carrying out the transaction before we can make the payment;*

I'm satisfied Nationwide was acting reasonably and within those terms and conditions when it blocked the transaction. It has a responsibility to protect Mr U's account and for reasons it's not required to share with this service, the transaction was flagged. Mr U said he's used the payee previously, but Nationwide has said that doesn't necessarily mean it would always allow subsequent transactions to the same payee. This is reasonable because circumstances around transactions would be different each time.

Nationwide has provided evidence from its systems of the communication on 26 June. It said:

- 17.12 - successful delivery of the 'welcome' SMS
- 17.12 - successful delivery of the 'transaction' SMS
- 17.20 - customer confirming genuine via voice rather than SMS.

At 17.20 Mr U confirmed to the automated telephone line that the transaction was genuine. Nationwide provided the transcript of the automated telephone line:

*"We're concerned about a recent transaction so have blocked your card. To unblock it please tell us if the transaction was genuine...
Here are the details: A transaction for £X on 'date' online."*

It said Mr U then confirmed the transaction as genuine and after which the automated voice service will have read the below:

“Thanks for confirming that was a genuine transaction. However, because it was declined the payment hasn’t gone through – so you will need to attempt the transaction again.”

Mr U said having confirmed the transaction was his he may have terminated the call prematurely as having realised he wasn’t going to speak with a person had no good reason to stay on the line. I do understand Mr U’s strength of feeling in this matter. He says had he noticed it had failed he would’ve paid with a different card. This is understandable. But I’m satisfied that during the automated call Nationwide does say the transaction needs to be attempted again.

Mr U has said that he’s never previously been told to check his account to see if a transaction has gone through. And he hasn’t ever had to make the payment again in similar situations with other card providers. We don’t have the power to tell a bank how it should treat all consumers or how it develops its internal policies. That’s a matter for the regulator, the Financial Conduct Authority (FCA). My role is to look at the individual circumstances of this complaint so I’m not able to comment on what happens with other card providers.

After our investigator issued their first view, initially upholding Mr U’s complaint, Nationwide further investigated what happened with the transaction and provided more evidence. In response to this Mr U said Nationwide hadn’t taken his complaint seriously until after bringing it to our service and after the investigator’s first view, including only providing a transcript of the automated call some months after he made the complaint. We are an informal dispute resolution service. After the investigator has issued a view both parties are provided with the opportunity to respond with further information and/or ask for a decision from an ombudsman. I do acknowledge this has increased Mr U’s frustration, which is understandable.

Mr U said he has no recollection of ever being advised to remake the payment. I’m not disputing Mr U but having seen evidence that he did use the automated line to confirm the transaction and having seen the transcript of that call I’m persuaded that Mr U was informed he would need to attempt the payment again. So I don’t think Nationwide has acted unfairly and I won’t be asking it to do anything further.

My final decision

My final decision is I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr U to accept or reject my decision before 11 March 2024.

Maxine Sutton
Ombudsman