

The complaint

Miss B complained about Nationwide Building Society. A number of fraudulent transactions were attempted against her account. Some were stopped before being debited, but two went through. Nationwide refunded the fraudulent transactions, but Miss B remained unhappy. She wanted compensation because she said Nationwide caused her significant inconvenience.

Miss B also complained to us about the packaging used by Nationwide when it sent her a Data Subject Access Request (DSAR). That has been dealt with as a separate complaint, and doesn't form part of this decision.

What happened

In early November 2023, Miss B received her Nationwide statement, and saw two payments which she hadn't authorised. Both were to an airline, and both were for £1,369.37. One had taken place on 20 October 2023 and the second one on 3 November.

Miss B rang Nationwide, and both transactions were refunded to her account. But Miss B remained unhappy because she said Nationwide had told her there had been a series of attempted transactions with someone trying to use her credit card. Miss B said Nationwide should have prevented the two which had gone through, and that it should also have given her the details about the ones which it had stopped. Miss B made multiple calls, because she wanted Nationwide to give her details of the transactions, including how they'd been authorised. She complained.

Nationwide didn't uphold her complaint. In its final response on 15 November, it said that it did have fraud prevention systems, but couldn't guarantee that every fraudulent transaction would be flagged.

Miss B wasn't satisfied and contacted this service.

Miss B told our investigator that she wanted compensation from Nationwide, for the time she'd had to spend on it. She'd had to change her plans to go away because of the fraud. She said Nationwide cancelled her card as a result of the fraud, and Miss B said she didn't get the replacement for a fortnight. She told our investigator there had been eight attempts on her card, and Nationwide hadn't at any point informed her about these blocked transactions. She said she'd tracked down eight transactions herself and Nationwide had eventually admitted there it had blocked these other attempted transactions. She didn't agree with Nationwide when it told her that it didn't matter because no money had been debited from her account. Miss B also said that as the transaction which had gone through had been to an airline, Nationwide should have found out who had booked to go on the flight, with the assistance of the police.

Miss B told our investigator that it wasn't the point that she hadn't lost money. She said she had a right to be told about the previous transactions which had been blocked. She said she'd been planning to travel in November, and had also arranged for workmen to come to her property, but she'd had to cancel her plans, causing her serious inconvenience. She said

she'd been worried sick about it, wondering what else had gone on, and Nationwide hadn't given her the information she'd wanted. She'd also wasted time going to a branch which also hadn't helped her.

Our investigator didn't uphold Miss B's complaint. He said that the unauthorised payments had been refunded within the timescales set by regulations. Miss B had told him that Nationwide had in the past alerted her when unauthorised payments had been attempted. The fact that eight further payments had been blocked meant that Nationwide's fraud prevention system had done what it was designed to.

He said that Nationwide had blocked Miss B's card and issued a replacement as soon as she'd notified it of the payments. Doing this was necessary to protect Miss B's account from further potential unauthorised payments. So he didn't consider Nationwide needed to pay Miss B any compensation, because any distress and inconvenience had been the result of the fraudster's actions, not Nationwide's. In relation to the attempted payments which Nationwide had blocked, the investigator said Nationwide didn't have to tell Miss B when and where these had been attempted, nor what steps it was taking to investigate attempted payments. And under data protection GDPR, it wouldn't have been able to provide her with any information about a third party. So the investigator didn't uphold Miss B's complaint.

Miss B wasn't satisfied. She said the investigator's findings weren't accurate and weren't a fair outcome. She said there had been another disputed transaction, to a different organisation, which the investigator hadn't covered. She said that as there had been multiple earlier similar attempts which had been blocked, Nationwide shouldn't have let the airline transactions go through. She said the police had told her that they'd asked Nationwide for information and had told her Nationwide had also been unco-operative with them. She said she'd had huge inconvenience and additional stress. This included inconvenience of the branch reducing its opening hours. Miss B asked for an ombudsman's 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.

I'll first explain what this decision does and doesn't cover. First, this decision doesn't cover:

- Miss B's complaint about Nationwide's packaging of her DSAR, which has been dealt with separately;
- Miss B's statement that the police told her they'd found Nationwide unco-operative with their enquiries – because that doesn't relate directly to the service Miss B personally received from Nationwide;
- Miss B's comment about Nationwide branches' reduced opening hours, or her complaint that Nationwide statements contain too much information. Both of these are matters for Nationwide to decide.

What this decision does cover is the service which Miss B received in relation to her complaint about disputed transactions.

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. Here, Nationwide refunded Miss B so there is no financial loss for the disputed transactions.

So the issues for me to consider are Miss B's complaints:

- that Nationwide should have told her the details about the other fraudulent transactions it had blocked;

- that as there had been previous blocked transactions, Nationwide should have blocked the airline payments too;
- that she was without a card for too long, which caused her serious inconvenience because she'd been planning to travel and had booked workmen.

I asked for more information before reaching my decision.

- I asked Miss B about the blocked transaction which she mentioned in her reply to the investigator's view. She hadn't mentioned this merchant or transaction before, so I asked for details. But Miss B didn't reply by the date requested for her reply. So I haven't been able to consider this further.
- I asked Nationwide for more information too, including computer evidence showing the date when it sent out the replacement card. Nationwide sent a copy of its computer records which showed that after Miss B reported the transactions on 3 November, the replacement card was issued at 00:33 on 4 November.

Going on to consider the three issues I've set out above:

I don't agree that Nationwide should have told Miss B about the transactions its security system blocked, which never debited her account. Miss B told us she believed she had a right to this information. But financial organisations are entitled to run their own security systems. And a security system which blocked fraudulent transactions is one which did what it was designed to do.

I asked Nationwide about the previous blocked transactions. Nationwide had limited available information on declined transactions after this time, but the information it provided didn't indicate that the previous blocked transactions were to the airline, nor that they were of similar amounts.

Financial organisations take their own decisions about fraud prevention, and this service wouldn't expect to have information about it. They also have to balance the need to prevent fraud, with the obligation to process customers' payment instructions. But there's nothing that indicates that the previous blocked transactions were so similar to the two fraudulent airline payments, that these ought reasonably to have been blocked too.

Nationwide provided computer information showing that after Miss B's report of fraud on 3 November 2023, it issued the replacement card at 00:33 on 4 November. I recognise that Miss B said it took a fortnight to arrive, but financial organisations aren't responsible for postal delays. Miss B has said it caused her significant inconvenience to be without her card, but I find that Nationwide acted fairly and reasonably when it stopped her existing card after she reported the disputed transactions. If it hadn't done, this could have left her account open to further fraud. I accept that Miss B suffered some inconvenience by being without her card for a while, but ultimately this was the fault of the untraceable fraudster, not of Nationwide. So I don't award compensation for this.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 20 December 2024.

Belinda Knight
Ombudsman

