

The complaint

Mr P complains that Nationwide Building Society (“Nationwide”) failed to properly account for his funds.

What happened

Mr P explained that between December 2022 and March 2023, he visited his branch of Nationwide on six different occasions where he exchanged £2,000 in small denomination notes in order to receive larger notes. He says in April 2023 he noticed that these exchanges had been recorded as withdrawals and his account was missing £12,000. Mr P raised the issue with the branch manager in September 2023.

Nationwide looked into what had happened and explained to Mr P that these weren’t exchanges, they were withdrawals. Nationwide didn’t have any record of the incoming smaller notes that Mr P said he brought into the branch.

Mr P continued to believe his accounts had been mishandled and that Nationwide had somehow lost or taken his funds. He made a complaint which was investigated by Nationwide. Mr P wanted them to review their CCTV of his branch visits to show what happened. Nationwide examined their records and spoke with the various members of staff that had dealt with Mr P during his visits to the branch. They didn’t have access to any CCTV because it had been automatically deleted following their retention policy to only keep it for 30 days.

Nationwide checked their banking records for each of the days Mr P claimed he exchanged cash and couldn’t find any discrepancies. Copies of the withdrawal slips signed by Mr P were provided to him. Nationwide also checked to see if any funds had been mistakenly applied to other members accounts. Nationwide couldn’t find any “pink slips” which would have been completed for such large cash deposits.

Nationwide declined Mr P’s complaint, but he remained unsatisfied with Nationwide’s handling of his concerns and brought his complaint to the Financial Ombudsman Service for an independent review. An investigator was assigned to look into the situation and both parties provided information about the branch visits.

In summary, Mr P said:

- Following the realisation that he’d lost funds, Mr P carried out a number of “test” exchanges which he says were done correctly.
- Mr P says he was told by a cashier that they’d had new instructions on how to deal with his cash exchanges.
- Mr P says he was accompanied on occasions when he exchanged cash.
- He still had those notes.

Nationwide provided details of their investigation, which in summary showed:

- Branch balance sheets for each day in question didn't show any inconsistencies or missing cash that could be attributed to Mr P's claim.
- If Mr P had exchanged cash, this would be recorded as a deposit and a withdrawal. No deposits were recorded, and no deposit slips were found.
- Withdrawal slips were signed by Mr P for each day in question, although one of them had the word "transfer" written on it.
- Mr P's statements didn't show the cash exchanges he referred to until after he noticed it in April.
- CCTV was only kept for 30 days and wasn't available to review.

After reviewing the evidence, the investigator concluded that there was nothing to show that Nationwide had acted unfairly and didn't uphold Mr P's complaint. It was commented that:

- Nationwide's documents didn't show any relevant discrepancies.
- No other errors, such as payments to other accounts was discovered.
- CCTV was no longer available.
- There was a transfer of funds (related to the withdrawal slip mentioned above) on that day.
- Mr P had reviewed his online accounts and would've been expected to report the matter sooner.

Mr P strongly disagreed with the investigator's outcome and made further comments:

- It's no surprise the records show that they balanced because his funds had already been stolen.
- Mr P believed that CCTV should be available.
- The withdrawal slip could have been copies or fakes.
- There was no transfer of £2,000 into any of his other accounts.
- He didn't review his accounts in detail and discrepancies of this amount wouldn't necessarily register given the overall amount of money moving through the account.
- Mr P tried to deal with his matter when he noticed the issue in April but was unable to speak with the manager until she returned from sick leave.
- He never had possession of the withdrawal slips and had only ever signed three or four of them.
- He carried out "tests" of Nationwide's system after April and the exchanges worked

properly.

- Mr P continued to make allegations concerning a staff member at the branch.

As no agreement could be reached, the complaint has now been passed to me for 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.

My focus is on what I think the key issues are as our rules allow me to do this and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

There are clear differences in what each party believes happened when Mr P visited a branch of Nationwide, and where there is such a dispute, and the evidence is incomplete or contradictory, I must reach my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence.

I've closely examined both parties cases here and it's apparent that Mr P believes his money was effectively stolen from him. My remit is to address what's fair and reasonable in the circumstances of his complaint and the issue of whether there's theft – as a criminal offense – is solely a matter for the police and courts.

Nationwide's documentation doesn't support Mr P's assertion that he exchanged lower denomination notes for higher ones. They've explained that such transactions are recorded as a deposit and a withdrawal to ensure there's a full audit trail for both "sides" of the transactions. If Mr P had carried out the exchange which he believes he did, I'd expect to see the relevant "pink slip" which would've recorded the deposit of his funds (£2,000 each time). Nationwide have confirmed there are no matching deposits or "pink slips". I would then expect to see the corresponding withdrawal. The statements would then show both transactions – which they do not here.

What I have seen are the withdrawal slips related to these transactions with a signature from Mr P. He's alleged they could be fakes or copies. I haven't put much weight on this assertion. There's no evidence to support his belief that somehow Nationwide (or an individual or individuals) facilitated the theft of his funds, including the creation of false paperwork. It's much more likely that the withdrawal slips are genuine and recorded the one-way transaction on each of the occasions Mr P went into the branch.

Mr P is correct when he says there was no transfer of £2,000. Having reviewed the statements and other supporting documents, there was a transfer that day when he also received £2,000 as a withdrawal. That transfer was for a considerably larger amount of money. Whether the reference on the withdrawal slip was related to that I don't really know, but I don't think it's particularly relevant to his complaint.

I appreciate he wanted the CCTV to be checked. Nationwide staff also enquired about this and were informed it was overwritten after 30 days. As it's no longer available, I haven't considered this further.

Overall here, I haven't found any evidence to support Mr P's assertion that he lost £12,000 when he used his Nationwide branch on six different occasions. There is evidence that the

branch's cash holdings balanced, there were no deposit slips and there were signed withdrawal slips. Also, there no evidence to show Mr P "exchanged" funds from this account until after April 2023. So, on a balance of probabilities, I think it's more likely than not that Mr P solely made withdrawals on those six occasions and Nationwide's actions were both fair and reasonable.

I accept Mr P doesn't believe the cashiers were involved and I agree with him. If Mr P believes his cash was stolen, then he should consider reporting it to the police. As far as his complaint here is concerned, I won't be upholding it.

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 Mr P to accept or reject my decision before 19 November 2024.

David Perry
Ombudsman