

The complaint

Mr S complains Nationwide Building Society (“Nationwide”) refuses to refund him for transactions on his account he says he didn’t authorise.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail.

In short, Mr S says he was alerted by Nationwide about two transactions made via eBay which he didn’t authorise. Mr S confirmed these were not genuine and asked it to refund these payments.

Nationwide says it contacted Mr S regarding these payments as they looked larger than his previous payments to eBay, and it refunded him at the time. However, it investigated and the evidence received from eBay showed the items purchased were sent to Mr S’s home address. So, it thinks it’s likely the transactions were completed by Mr S, and he received the benefit of the items ordered.

Our investigator considered this complaint and decided not to uphold it. Nationwide was not happy with this outcome, so the complaint has been passed to me for a final 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.

A consumer should only be responsible for transactions made from their account that they’ve authorised themselves. Mr S said he didn’t give any permission for the transactions in dispute to be made but Nationwide believes he did. My role then is to give a view on whether I think Mr S more likely than not authorised the transactions, based on the evidence I have available.

The transactions in dispute were carried out via eBay to order items from Hong Kong. There were two transactions made using Mr S’s Nationwide card and billing address. The information supplied also shows the delivery name and address were both Mr S’s. However, this is not enough in itself to convince me that the transactions were authorised by Mr S.

Nationwide alerted Mr S of these transactions as they were of high value in comparison to his previous online payments to eBay. And I think it was right that it did this. I say this because it would be expected for unusually high payments to be flagged, and/or payments made in/to foreign countries. The transactions were made through an IP address in France, whereas the evidence shows Mr S was in the UK on that day and had logged on to his online banking via a known IP address shortly after the transactions were made. While I agree it is possible to use a virtual private network (VPN) to disguise the location of online activity, I don’t think this is the most likely scenario here.

The information relating to Mr S's debit card, billing address and shipping address are likely to have all been stored on his eBay account. So having knowledge of that information doesn't persuade me that it's most likely Mr S that made these transactions. The fact is that anyone who gained access to his eBay account would be able to make these transactions.

Nationwide hasn't provided any other evidence to persuade me Mr S made these transactions. Such as confirmation that the device used for the transactions was the same device used for other genuine transactions. Or any evidence that Mr S had to confirm a one-time passcode to authorise the payment being made. In this case Mr S has shown that he removed his debit cards from eBay as soon as he learnt about these transactions, and he says he won't be using eBay again. This is how I would've expected someone who was a victim of fraud to have behaved.

Nationwide says it is unlikely a fraudster would deliver items to their victim, as they are then not gaining any benefit from the fraud. While I agree this isn't typical, I do think this could be one part of the fraud and there could have been other steps planned to follow. In any case, I am not required to detail all the steps and workings of fraud transactions, only whether I think the transaction was correctly authorised or not. And with the evidence I have at this time, I am not persuaded the transactions were made by Mr S.

Putting things right

Nationwide Building Society should put things right by:

- refunding the disputed transactions in full
- refunding any associated fees and charges
- adding 8% simple interest from the date the payments were made till the date they are refunded.

My final decision

I am upholding this complaint. Nationwide should put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 March 2025.

Sienna Mahboobani
Ombudsman