

The complaint

Mr W complains that Nationwide Building Society (“Nationwide”) has caused him consequential loss as a result of how it dealt with fraudulent transactions on his account.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, I understand Mr W had three fraudulent transactions totalling £145.98 appear on his account in July 2023. Nationwide initially refunded these transactions. But it then re-debited them in September, before refunding them again in November. Mr W has therefore had these transactions refunded, but he’s said the way Nationwide dealt with matters has caused him consequential loss. He couldn’t reach agreement with Nationwide about things, so he referred his complaint about Nationwide to us. Our Investigator was unable to resolve the matter informally, so the case has been passed to me for a decision.

I sent Mr W and Nationwide my provisional decision last month explaining what I was minded to decide. Now both parties have had fair opportunity to respond, I’m now ready to explain my 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.

Having done so, I’ve reached the same conclusions as in my provisional decision and for the same reasons. I’ve explained my reasons again below.

Mr W initially reported the disputed transactions to Nationwide in July 2023. When transactions are reported like this, it’s not unusual for a temporary refund to be provided whilst the payment service provider (here, Nationwide) looks into things further. I therefore don’t think there was anything wrong with Nationwide temporarily refunding these transactions in July, before then writing to Mr W in August asking him to sign declaration forms and return them within 21 days, or else it wouldn’t be able to continue with his claim and it would re-debit the transactions.

I understand that, by then, Mr W had moved, so he didn’t receive these forms. But the evidence suggests he didn’t tell Nationwide about his change of address until 24 August (after it had already sent the forms), so I don’t think I could reasonably say this was Nationwide’s fault. Mr W appears to have actioned his change of address with Nationwide online (and not over the telephone). I note that Mr W has said that it’s not unusual for people to take a week or so to update their addresses after they’ve moved. But I don’t think I could say it would have been unreasonable for Nationwide to assume he had received the forms, if Mr W didn’t say on 24 August that he’d *actually* moved before then. So I don’t think there was anything inherently unfair or unreasonable in Nationwide’s dealings with Mr W up until the point where it re-debited the transactions from Mr W’s account in the first half of September.

I understand, however, that in telephone calls Mr W had with Nationwide at the end of September – sparked by the re-debiting of the transactions – it became apparent Mr W hadn't received the forms in August due to him moving address earlier than he informed Nationwide. I understand Nationwide said it would therefore resend them. But Nationwide didn't then resend them until late October (with it then receiving them back from Mr W (completed) on 2 November, just before it again refunded the transactions on 6 November). Nationwide should have resent the forms to Mr W at the end of September. But I understand that before Mr W referred his complaint to us Nationwide accepted and apologised for this error, offering Mr W a total of £220 in compensation for the impact of its error.

Mr W has remained unhappy. He doesn't think the £220 is enough because, he says, he went through a period of financial hardship, and the insurance for his motorbike, which he needs to get to work, was consequently cancelled on 24 October (presumably due to non-payment) resulting in him being unable to work for 10 to 12 weeks.

However, to decide that a greater award is due, beyond what Nationwide has already offered, I need to be persuaded that failings on Nationwide's part actually caused the loss Mr W is seeking compensation for *and* that it would be fair to hold Nationwide responsible for this loss, bearing in mind such things as whether Nationwide could reasonably foresee that its failings would result in loss like this; in other words, I'd need to be satisfied that the loss wasn't too remote from Nationwide's failings.

I'm not sure Mr W was unable to work for 10 to 12 weeks as a result of his bike insurance being cancelled. This is because his bike insurance wasn't cancelled until 24 October, and I've seen an email about his new bike insurance indicating this *may* have been valid from 14 or 27 November. I also note that Nationwide refunded the transactions (for the second and final time) on 6 November. But, in any event, bearing in mind everything I've said above, I'm persuaded that the £220 compensation Nationwide has already offered Mr W is fair and reasonable. I say this because:

- The root cause of Mr W needing to resolve these fraudulent transactions with Nationwide would be the third party that actioned the transactions (presumably without Mr W's consent). It isn't unusual for this to cause some inconvenience and impact whilst the matter is reported and looked into. So if Mr W was impacted, this doesn't automatically mean Nationwide should be held responsible.
- I'm not persuaded there were any failings by Nationwide until the end of September. Nationwide should then (at the end of September) resent the forms to Mr W, in which case it might well have received them back, completed, in early October, enabling it to refund the transactions (for the second and final time) one month earlier than it actually did. But I understand Nationwide *thought* it had resent the forms to Mr W at the end of September. And I don't think it would have been unreasonable for Nationwide, in terms of foreseeing loss, to think, if Mr W was under financial pressure and in urgent need of a refund (as he's indicated to us he was), that if he didn't receive the forms again, he'd be back in touch promptly. But I note that it doesn't appear Mr W chased Nationwide for the forms again until the end of October.
- I note Mr W's point that he thinks his loss was reasonably foreseeable because in September he went into unauthorised overdraft. But generally, bearing in mind everything I've said, I'm not persuaded it would be fair to say Nationwide ought reasonably to have foreseen Mr W might suffer a loss of earnings or cancellation of insurance as a result of these matters.

Overall, therefore, I'm not persuaded Nationwide's failings were the material cause of the loss Mr W's claims. I'm also not persuaded that it would be fair and reasonable to hold it responsible for this. I've considered everything Mr W has said, including his comments about his general dissatisfaction with Nationwide, for example it noting the wrong amount for one of the transactions in its letter to him dated 10 November 2023. But overall, I'm satisfied Nationwide's offer is a fair and reasonable one.

My final decision

For the reasons explained, I don't uphold this complaint.

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

Neil Bridge
Ombudsman