

The complaint

Mr N says 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 case are well known to both parties, so I won’t repeat them in detail here.

In short, Mr N disputes payments made on from his current account between 25 May 2023 and 21 December 2023 to Google Pay and to a gambling website. Mr N says he has been in and out of hospital throughout this time with severe medical concerns. Mr N is worried his information and device had been compromised by a fraudster or by hospital staff, which led to the disputed transactions being made on his account.

Mr N also disputed payments on his credit card account, but Nationwide has now agreed to refund these in full as recommended by our investigator. So, I have not investigated these transactions any further.

Nationwide says it thinks the transactions were carried out using the same device IP address used for genuine, undisputed payments. It also says the gambling company has an account set up in Mr N’s name with his current email address. So, it thinks it’s likely Mr N made these payments himself and refused to refund them.

Our investigator considered this complaint and decided to uphold it as he wasn’t persuaded that the transactions were authorised as per the guidelines set out in the Payment Service Regulations 2017. He also felt that compensation was due to Mr N for the distress and inconvenience caused, and effects this has had on his health. Nationwide didn’t agree to the findings in relation to the disputed transactions on his current account, so, this 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 N has 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 N more likely than not authorised the transactions, based on the evidence I have available.

Mr N says he thinks he’s been caught up in a scam of some kind. He has concerns about his information being available on the internet and he thinks his phone might also have been compromised. But due to his recent ill health Mr N’s complaint is being dealt with by a representative so we’ve not been able to speak to Mr N directly about what happened in the lead up to the disputed transactions. But his representative has provided as much information as she can. I understand Mr N and his representative have been working with

the police regarding the transactions he says are fraudulent on his Nationwide, and other, accounts.

Nationwide has refused to refund the transactions disputed. It has provided evidence from the gambling site in question showing that it has an account recorded with Mr N's current email address and the IP address used for the transactions. Nationwide says this matches an IP address used for other genuine spending from Mr N's account, so it must have been him who made these transactions as well. However, this evidence alone doesn't persuade me that the transactions were authorised. I'll explain why.

Nationwide hasn't provided any evidence showing how the transactions were made or authorised. It says that the transactions were made online and that most of them were verified via a one-time passcode (OTP) sent to Mr N's phone. However, it has not provided any evidence to support what it has said.

Nationwide also says the transactions were made on the same device as undisputed transactions from the account. We asked for evidence of Mr N's online banking history and evidence of the linked devices on his account, to corroborate what Nationwide has said. But at the time of writing no such evidence has been supplied.

In the absence of supporting evidence to support what Nationwide has said about the device used and the OTP's sent, I am not persuaded the transactions were authorised. So, I am upholding the complaint. I notice that Nationwide didn't respond to the initial view to dispute the compensation awarded. So, I have no reason to depart with the £200 award suggested by the investigator for compensation for distress and inconvenience.

Putting things right

Nationwide Building Society should put things right by:

- Refunding Mr N the total disputed amounts between 25 May 2023 and 21 December 2023 from his current account;
- It should also award 8% simple interest on the total disputed amounts for from the date of transaction until the date of settlement – less any tax properly deductible.
- Pay Mr N £200 for the distress and inconvenience caused.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 21 February 2025.

Sienna Mahboobani
Ombudsman