

The complaint

Mr P complains that Nationwide Building Society will not refund money which he transferred from his account when he fell victim to an investment scam.

What happened

In January and February 2024 Mr P made transfers totalling over £3,000 from his Nationwide Flex account to an account he held with W, a money transfer service. Those payments had in turn been funded by transfers from Mr P's savings account, also with Nationwide.

Mr P says that he then transferred the funds to an investment scheme which turned out to be a scam. He asked Nationwide to seek to retrieve them.

Nationwide contacted W with chargeback claims. In the meantime, the funds were credited back to Mr P's account.

W defended the claims. It said that the transfers had been legitimately made and that there were no grounds for chargeback. Nationwide therefore re-debited the transfers, which put Mr P's account into overdraft. It says that it told Mr P before it did so, but Mr P disputes that.

Mr P complained to Nationwide. He said he was assured that the refunds were permanent and that he was not told otherwise. Nationwide said it had acted fairly and that it had told him that the amounts would be debited from Mr P's account.

Mr P referred the matter to this service, where one of our investigators considered what had happened. The investigator thought that Mr P had been told the payments would re-debit his account and did not recommend that the complaint be upheld. Mr P did not accept the investigator's recommendation and asked that an ombudsman review the case.

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.

Chargeback is a scheme run by the card schemes (in this case, Visa), and is primarily a scheme for resolving disputes about payment settlements – including, for example, where payments are not authorised or are duplicated.

There was in this case no real dispute about the payments which Mr P made from his Nationwide account to his account with W. He authorised them and they were made in accordance with his instructions. In the circumstances, I think it was to be expected that W would challenge the chargebacks, and that those challenges would be successful.

It is usual for a payment which is the subject of a chargeback claim to be reversed while the chargeback is processed. It is then re-debited if the claim is unsuccessful. That is what happened in this case. If the chargeback had been successful, the refunds would have remained on Mr P's account.

I note that Mr P says that he did not receive notification that the payments were to be re-debited. He was in hospital at the time and does not recall receiving the email notification which Nationwide says it sent. He only found out what had happened when his account went overdrawn.

However, I agree with the investigator that it is more likely than not that Nationwide did tell Mr P that it would re-debit the account. Its own internal records indicate that, and I think it likely that Mr P simply overlooked the notification.

But, even if I were to take a different view on that point, it would make no difference to the overall outcome. Nationwide was within its rights to re-debit the account in any event, once the chargebacks were unsuccessful.

My final decision

For these reasons, my final decision is that I do not uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 March 2025.

Mike Ingram

Ombudsman