

## **The complaint**

Miss W complains that Nationwide Building Society (“Nationwide”) declined to refund two failed cash withdrawals.

## **What happened**

Miss W explained that she regularly uses an automated teller machine (ATM) to withdraw cash to pay for her bills. When Miss W attempted to use the ATM, the machine briefly showed an “out of service” message before returning to the usual screen. No money was dispensed, and Miss W tried again. She advised that no money was dispensed either time, she also said that the ATM wasn’t making any noises she usually associates with a working machine. Miss W said she got her card back. She only noticed her account had been debited when she got home. Miss W explained that she borrowed funds from a relative to pay her bills.

Miss W contacted Nationwide about the two withdrawals on a number of occasions to register her claim for a refund. They temporarily credited her account (with one transaction) and logged a number of (duplicate) claims related to the one claim made by Miss W.

Nationwide contacted the operator of the ATM and asked for information about the two transactions carried out by Miss W and evidence of what happened. Nationwide received information back from the ATM operator which showed the transactions had been successful. Nationwide then took back the temporary refund and Miss W lodged a complaint with Nationwide. They looked at what had happened but didn’t change their decision, although they did accept they’d caused Miss W some unnecessary inconvenience by lodging duplicate claims and offered £50 to compensate Miss W.

Miss W was left unhappy with Nationwide’s decision and brought her complaint to the Financial Ombudsman Service for an independent review. An investigator was assigned to look into the issue and both parties were asked to provide details of the situation.

Miss W was able to confirm the events of what happened, and Nationwide provided their evidence, including details of the audit documents from the ATM provider.

They showed the two transactions were completed successfully, but the ATM itself held a large amount of cash (£730) in its purge bin. Nationwide’s evidence also showed the ATM “balanced”. The ATM operated over an eight-day period between checks.

The investigator concluded that the purge bin contents could come from a number of different issues within the ATM, but she wasn’t confident that the funds weren’t Miss W’s. Miss W was also a regular user of ATMs and hadn’t made any other claims, so it was supportive of her overall testimony that she didn’t receive any cash from her attempts at a withdrawal. It was also commented on that whilst the ATM “balanced”, this wasn’t persuasive evidence that there wasn’t a problem with Miss W’s withdrawal. It was recommended that Nationwide refund the two withdrawals and add interest at 8% simple per annum for the loss of use of the funds.

Nationwide disagreed with the recommendations and asked for an Ombudsman to review the complaint.

As no agreement could be reached, the complaint has now been passed to me for a decision. As part of my own investigation, I wanted to better understand the details available from the ATM operator relating to the transaction data on the journal roll (a summary had only been provided at this point) and the purge bin. I asked Nationwide for evidence that excluded the purge bin contents from Miss W's withdrawals. I wanted to see evidence that showed those amounts in the purge bin were linked to other errors or functions and not Miss W's.

Nationwide were able to supply more detailed data from the journal roll but they were unable to positively show which transactions or errors the purge funds came from. It was explained that some of the purge bin funds could come from apparently successful transactions if the ATM had detected problems with the notes and replaced them during certain withdrawals. There was no way to track those transactions that were responsible for the contents of the purge bin. It was argued that the ATM would indicate different data if there had been a problem with the withdrawals and there would be a "surplus" on the purge records and the ATM as well.

### **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.

Put simply, Nationwide are required to show that the transaction(s) undertaken by Miss W weren't affected by "... a technical breakdown or some other deficiency..." . Section 75 of the Payment Service Regulations refers.

Miss W has been consistent with her testimony and hasn't made other claims. She's also a regular user of this type of cash withdrawal due to the type of card she uses. She's told us that there was a problem with the ATM when she used it and saw a message on the screen before returning her card. The second attempt was also unsuccessful.

Nationwide have relied on the evidence provided to them by the ATM operator and this indicated that the two withdrawals were successful. They've argued that the ATM would show other data and balances if there was a problem with the withdrawals undertaken by Miss W.

ATM's are generally sophisticated and record a number of different processes. The ATM used by Miss W clearly had issues with some notes because of the amount of funds collected in the purge bin. I'm mindful that it was only in operation for about eight days between balances and it seems as though the amount of funds in the purge bin likely comes from a number of different transactions.

I specifically asked Nationwide to provide evidence excluding the two transactions claimed by Miss W. But, as they've not been able to show where those funds come from, I can't reasonably exclude them from the claim made by Miss W. It's not implausible that some of those funds were from the withdrawals made by Miss W, but I do acknowledge that some of the other data doesn't support this.

But, when I've examined the more detailed list of transactions (journal roll), the two recorded for Miss W's card do stand out. All the other withdrawals on the list include the account balance and the available balance. Miss W's do not (although this could be a feature of the type of card used by Miss W), but they also don't show the same level of information related

to the timings included with the other withdrawals.

As the ATM was reported by Miss W to show a message on the screen that said it was going out of service, and there was about a five-minute gap to the next user of the ATM, I have some reservations about the data recorded by the ATM. The absence of information and the report by Miss W support her case that the ATM malfunctioned somehow.

I don't have any reason to doubt Miss W's version of events and there appears to have been some issues within the ATM over a relatively short period of time. So, on balance, I think that it's reasonable to conclude that Miss W's withdrawals were affected by the operation of the ATM.

I do recognise this is a finely balanced complaint, but overall, I think Nationwide have failed to provide sufficient evidence that the two withdrawals were unaffected by a technical breakdown and as such they should now refund Miss W.

I wanted to make it clear that I'm not upholding this complaint solely based on the amount of funds in the purge bin. That's because there are legitimate reasons for funds to be present in it and I recognise that the ATM operator can't specifically isolate which transactions (in this case) those notes refer to. I am upholding this based on an objective assessment of all the evidence and it's not implausible that part of the purge funds contained notes related to Miss W's reported attempts to withdraw cash.

I've also considered the handling of the dispute by Nationwide. They accept they'd unnecessarily duplicated the dispute and caused some inconvenience to Miss W and paid £50 compensation. I think this was both a fair and reasonable way for them to deal with this and I won't be asking them to do anything further regards this aspect of the complaint.

### **My final decision**

My final decision is that I uphold this complaint against Nationwide Building Society and in order to settle it they're now required to:

- Refund Miss W £500 from the failed cash withdrawals.
- Pay 8% simple interest from the date of loss until the date of repayment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 28 January 2025.

David Perry  
**Ombudsman**