

The complaint

Miss A complains that Nationwide Building Society ("Nationwide") replaced her debit card without her authorisation and failed to provide a proper explanation for its replacement. Miss A believes there has been a breach of her personal data by Nationwide staff when her old card was deactivated. This has resulted in her not being able to use her account for months and has brought her a significant amount of stress.

What happened

Miss A holds a bank account with Nationwide. Nationwide suspected Miss A's card had been compromised and so issued Miss A with a replacement on 31 May 2024 and deactivated her old card to ensure there was no disruption to Miss A's banking. Nationwide explained that this doesn't mean fraud has happened on the card just that the possibility of future fraud is more likely.

Miss A was having difficulty logging into her online banking and so complained to Nationwide as she was no longer able to do any banking, access her online banking or pay for anything since the card was replaced. Nationwide say that the reason Miss A couldn't do any banking was that she was using a de-activated card to log into its online banking. Nationwide agreed that its service could've been better on its webchat, apologised and compensated Miss A £50.

Miss A was dissatisfied with this and so brought her complaint to this service. Miss A complains Nationwide has failed to explain why her card was replaced and that she believes the card replacement suggests potential internal misconduct at Nationwide. Miss A says this has caused her significant stress as she doesn't know who within Nationwide may have accessed her personal data or what damage could've been done in her name.

An investigator looked into Miss A's concerns about Nationwide but didn't think Nationwide had done anything wrong as Nationwide has a responsibility to protect both itself and its customers from potential fraud and the actions it took in replacing her card aligned with its policy on this and was allowed within the terms and conditions of its account.

Furthermore, they didn't believe there was any evidence there had been a data breach or any unauthorised spending on Miss A's account and so advised Miss A to raise any unauthorised spending on her account with Nationwide directly and if she believed there to be a data breach to file a complaint with the Information Commissioner's Office.

Miss A disagreed. She says her account has been internally hacked and her debit card deactivated, and a new card activated without her consent and that she hasn't had access to her bank account since June 2024 due to someone at Nationwide still having possession of her new card.

Miss A wants Nationwide to reinstate her previous debit card, remove the new card from her profile and name and eliminate any financial record link to the false narrative about potential fraud. Additionally, Miss A wants to be compensated for the distress and inconvenience

caused and a written apology outlining what actions were taken on her account without her consent.

Miss A has asked for an ombudsman's 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.

I hope that Miss A won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of this complaint is regarding the service received from Nationwide when it replaced her debit card and issued her with a new one.

In particular, Miss A is unhappy Nationwide failed to provide a proper explanation as to why this was necessary, which has led to her belief that there has been an internal data breach where her account was hacked and her personal data compromised.

It might help if I explain here, as we are not the regulator, I don't have the power to tell Nationwide how it needs to run its business and I can't make Nationwide change its systems or processes – such as when it is required to carry out security and fraud prevention measures. This is simply not something I can get involved with. Nor can I say what procedures Nationwide needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service, and we have no regulatory or disciplinary role.

That said I don't think it is unreasonable for Nationwide to undertake certain actions – in this case the deactivation and replacement of a debit card - if it believes a customer's account could be compromised. Nationwide are under an obligation to protect and safeguard its customers against fraud and taking this action is authorised in its terms and conditions and in-line with what I'd expect it to do to meet its regulatory requirements. I appreciate this has caused some alarm for Miss A but I've seen nothing to persuade me Nationwide took this action wrongly or indeed, that this action was taken in response to its staff committing a data breach.

I understand Miss A is unhappy at the explanation Nationwide have provided regarding how her card had been potentially compromised or that there was the possibility of future fraud on it. But Nationwide has explained occasionally a customer's card will be flagged on its systems as being potentially compromised and that from the information it holds it can't say exactly how this may occur. It could be a number of reasons, such as an online data breach to an external website that Miss A used that had card information stored or a tampered ATM. So I don't think it's unreasonable that Nationwide are unable to say exactly what happened in Miss A's case.

I understand Miss A is concerned about the security and privacy of her data. But Nationwide as well as it being under an obligation to ensure the safeguarding of its customers funds, is also under an obligation to ensure that any data it holds on its customers is secure and not accessed wrongly and I haven't seen any evidence Nationwide have made any mistakes in this regard. So, I don't think Nationwide has treated Miss A unfairly or done anything wrong here.

And I've seen no evidence that the replacement of Miss A's debit card has resulted in her not being able to access her account or led to fraudulent activity on her account.

I understand that the last outgoing transaction on Miss A's account was on 17 June 2024 and this was prior to the replacement card being issued. So I can't say the issue of a replacement card has led to fraudulent activity as there has been no activity on her account. And Nationwide have confirmed that there are no restrictions on Miss A's account or card, but rather the trouble Miss A is having is due to her using a deactivated card. So I don't think it's a case of Miss A's account not being used because she doesn't have access, but rather she isn't using her replacement card to access her account. So again, I can't say Nationwide has done anything wrong or treated Miss A unfairly.

If Miss A remains unhappy using the replacement card or doesn't have this card in her possession as recommended by our investigator Miss A should contact Nationwide to have this cancelled and request a replacement.

My final decision

For the reasons I've explained, I do not uphold Miss A's complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 9 December 2024.

Caroline Davies
Ombudsman