

## **The complaint**

Mr G complains that Nationwide Building Society unfairly debited his account following a failed cash withdrawal.

## **What happened**

Mr G was having his phone repaired and was told it would be better to purchase another one. The repair shop he was in at the time only took cash and told Mr G there was a bank next door. Mr G went to the automated teller machine (ATM) at the bank (I'll refer to them as L) to withdraw £100 which was the cost of the replacement phone.

Mr G said he entered his card and personal identification number (PIN) into the ATM and requested £100. He went on to explain that the ATM produced a receipt, and the money was presented from the ATM. He attempted to take the funds but could only get one five-pound note and the rest was snatched back into the jaws of the ATM with the rest of the cash just showing. Mr G said he couldn't take the cash out due to how it was being held and as the door to the bank was open, he kept watch over the ATM and tried to get the attention of staff members in the bank.

He was eventually able to speak with them and showed them his one note that was taken from the ATM. He said that once they found he wasn't a customer of their bank, they told him to raise it with Nationwide. Mr G said he tried to get them to look at the ATM and the cash stuck in it, but they didn't and said they'd call an engineer.

Mr G went to a local branch of Nationwide where he (successfully) withdrew another £100 from one of their ATMs. He reported the problem, telling them he wanted to claim £95. Nationwide put a claim through for £100 and provided a temporary refund while they investigated the claim. Later, Nationwide declined the claim and Mr G said he was told by them to approach L about the issue. Mr G went to see L and explained what had happened and was directed by L to go back to Nationwide and re-raise the claim based on the £95 loss (rather than the £100 put through originally by Nationwide).

After a few weeks, Mr G went back to Nationwide to find out what was happening and was finally told his claim had been declined and the temporary refund was taken from his account. He lodged a complaint and Nationwide accepted they'd confused matters during the claim stage and offered Mr G £75. They declined to refund the cash withdrawal because the records they'd received (from L) demonstrated the cash withdrawal had been successful.

In their final response letter to Mr G, Nationwide said:

*"If you would like to continue to dispute the outcome of your original ATM claim, we would require:*

- *A declined or void receipt against the failed withdrawal attempt*
- *A photo proving a malfunction with the machine*
- *A witness statement from a member of staff confirming they didn't receive the cash.*

*If you are able to provide these, I will forward them on to our claim team for you.”*

Mr G contacted the police about the matter and brought his complaint to the Financial Ombudsman Service for an independent review. An investigator was assigned to look into the dispute and both parties were asked to provide whatever information they could about the issue.

Mr G was able to confirm his version of events and explained how the employees from L could have confirmed the presence of the cash stuck in the ATM. He was particularly unhappy with the performance of L and thought they could have helped more. Mr G remained positive that he hadn't been able to withdraw all the cash and only managed to take five pounds.

Nationwide provided details of their investigation and records received from the ATM operators (L). Those records included a copy of the “journal roll” and a note concerning the visit by the engineer that happened later the same day of Mr G's issue. The engineer confirmed the ATM was “reconciled” and had £60 surplus plus. Other information received explained that the “purge bin” contained in excess of £1,000 in various notes.

The journal roll is a record of activity carried out by the card holder and shows the withdrawal was successful and the notes issued. It also shows that the ATM wasn't used by another card holder until about 13 minutes later.

After reviewing the evidence, the investigator recommended that Nationwide refund the £95 because it was felt that Nationwide hadn't been able to demonstrate the ATM had performed without error. It was commented that the purge bin held a large amount of cash and that there had been a surplus of £60 recorded when it was checked.

Nationwide disagreed with the investigator's outcome and asked for a review of the complaint. They continued to believe the evidence was such that it showed the ATM was operating properly and the cash was successfully dispensed.

Nationwide explained that the purge bin can contain notes from many different processes carried out internally by the ATM including test notes, cancelled transactions, soiled notes and successfully retracted cash.

Nationwide argued that their agreement (to use the ATM network) set out the levels of evidence which in this case were described as “good” because the relevant information had been collected by the ATM including sequential transactions, successful transactions both before and after the disputed one and no faults recorded against the machine.

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 obtain additional audit information about the withdrawal in question. Specifically, I wanted to see how the machine performed with individual actions which are generally recorded by the ATM audit, but not (as in this case) included in the journal roll presented to Nationwide.

Nationwide were unable to provide this because the ATM operator told them they no longer had this level of detail available to them. But, they pointed out that the evidence showed the presentation of the cash took place over 18 seconds from the shutter opening, cash removed and shutter closing.

### **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.

Nationwide are required to provide evidence that their payment systems (including ATMs operated by other organisations) were working properly – S 75 of the Payment Service Regulations 2017 refers.

Nationwide are reliant on an agreement between the operator and themselves to provide information about the performance of the ATM. L supplied that information after Nationwide made a request following Mr G's request for a refund.

Nationwide have made the case that the evidence provided by L meets the necessary levels set out in the agreement when considering disputes about withdrawals. Whilst that agreement is relevant, I've also taken into account the PSRs as mentioned above.

Nationwide's later comments to Mr G concerning additional evidence didn't seem to recognise he was without his phone at the time (the very reason he was withdrawing funds) or that he'd tried to enlist the help from staff at L's branch. I don't think this was particularly helpful or reflected on the information already provided.

On first reading of the evidence from Nationwide, it appears there was nothing wrong with the withdrawal. The journal roll lists certain aspects of the withdrawal and shows the number of notes dispensed. There are no obvious hints that anything untoward happened. But, Mr G's experience is somewhat different.

His testimony throughout has been consistent and explicit concerning what he was doing that day (the unexpected need for cash), the very particular series of events that took place at the ATM and the fact that he managed to take one five-pound note. Mr G then went on to make a second withdrawal for £100 at a Nationwide ATM.

He also talked about the experience he had trying to get help from L's staff members and showed them his one note. He also talked about his frustration that they wouldn't look at the ATM and confirm the cash was still stuck.

Whilst I acknowledge Mr G's frustration with the service he received from L, they aren't the business who he's able to complain about because he used his Nationwide account to withdraw the cash. So, even though he can't complain about how L acted, it's still a part of my considerations about what happened at the ATM.

Having examined the journal roll and associated data from the ATM operator, I wanted to see the precise actions of the ATM during Mr G's attempt to withdraw cash. The timings showed there was a gap of use to the next user of about 12-13 minutes. ATM's generally record in great detail the steps taken and that would likely assist in understanding what was happening, particularly given that Mr G said he was speaking with L's staff for a little while and kept an eye on the ATM - certainly longer than the timings indicated on the journal roll. Unfortunately, there was no further information available as it was no longer retained.

Whilst I understand that Nationwide were presented with data that, on the surface, shows the withdrawal was successful, I have to consider that there was an issue with it given the detailed and somewhat unusual version of events described by Mr G – particularly the one note he managed to pry from the ATM.

Whilst I appreciate Nationwide are reliant on the evidence from the operator and they have an agreement to provide that evidence, I also have to consider that there was a problem with the ATM based on the dispute raised by Mr G. After all, he's said it wasn't operating properly, so there may well have been issues with it that haven't been recorded, particularly

as there was a long gap to the next user.

In respect of the purge bin, I've noted that sufficient cash was contained in it cover Mr G's withdrawal. Here, I'm not relying solely on the level of funds in the purge bin (because it can contain notes from normal operations), but it is relevant to my considerations as that is where a failed dispense of funds would probably end up.

Nationwide accepted they'd mishandled the dispute and put through a second claim unnecessarily. They paid Mr G £75 for their customer service which I think is reasonable in the circumstances.

Overall here, Mr G's evidence is quite compelling and I'm more convinced with his version of events than I am from the data supplied by Nationwide. So, on balance, I think there's sufficient evidence to support the claim raised by Mr G that the ATM wasn't operating properly at the time he attempted withdraw £100.

### **My final decision**

My final decision is that I uphold this complaint against Nationwide Building Society and in order to settle this complaint, they're required to make a refund to Mr G of £95, including an interest payment calculated at 8% simple per annum from the date of the withdrawal to the date of repayment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 25 March 2025.

David Perry  
**Ombudsman**