

The complaint

Mrs E complains that Nationwide Building Society blocked her credit card whilst she was abroad.

What happened

Mrs E holds a credit card account with Nationwide.

In July 2024 Mrs E went on holiday abroad but when she tried to use her credit card to pay for car hire at the airport it was declined.

Mrs E contacted Nationwide, who advised her that the card had been blocked due to a potential compromise. Nationwide also advised Mrs E that a replacement card had been issued and sent to her. Mrs E said she hadn't received a replacement card and asked whether an emergency card could be sent to her. Mrs E says that Nationwide initially told her that it would get a new card to her within 72 hours but that it subsequently told her that this couldn't be offered due to the type of account she held.

Mrs E had to use her holiday cash to pay for the car hire and borrow money from a friend to pay for day-to-day spending whilst on holiday. She complained to Nationwide.

Nationwide issued a final response on 9 August 2024. It said it had blocked the card in line with the terms and conditions of the account. Nationwide said it had been unable to send out an emergency card as this service was only for gold card members.

Mrs E remained unhappy and brought her complaint to this service.

Our investigator upheld the complaint. She said that although Nationwide was entitled to block or restrict a card and issue a replacement card, it should've informed Mrs E of this to prevent any inconvenience or financial losses. The investigator said she hadn't seen evidence that Nationwide had sent a letter about the replacement card to Mrs E and said it should've done more to inform her about the replacement card by emailing or phoning her. The investigator said that due to the lack of contact and conflicting information, Mrs E had been caused distress and inconvenience and said that Nationwide should pay £75 compensation.

Mrs E didn't agree. She said she'd never received a replacement card and she didn't agree that £75 was sufficient compensation for all the stress and upset she'd been caused whilst on holiday.

Because Mrs E didn't agree I've been asked to review the complaint.

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 know it will disappoint Mrs E because she wants more compensation, but I agree with the

investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Nationwide has said that it blocked Mrs E's card because of security concerns. It has said that it issued subsequently cancelled the card and issued a replacement card to Mrs E on 3 July 2024, together with a letter explaining why the card had been replaced.

Mrs E has said that she's never received the replacement card, or the letter and she wasn't aware that her card had been blocked or that a replacement had been sent until she spoke to Nationwide whilst she was abroad.

I've reviewed the terms and conditions of the account. Nationwide has the right to restrict or block a card if it suspects (for instance) that the card has been compromised or that there is a risk of fraud. In certain circumstances it may be necessary for the card to be blocked whilst further checks are carried out, or it may be appropriate to cancel the card and issue a replacement, as was the case here.

I don't think Nationwide made an error by cancelling the card and issuing a replacement. However, I would expect Nationwide to let Mrs E know that her card had been cancelled and replaced.

Nationwide has said that it sent the replacement card and a letter to Mrs E on 3 July 2024. This service asked Nationwide to provide a copy of the letter, but it was only able to provide a template. Mrs E has said that she never received a replacement card or a letter. So there's some uncertainty here as to whether the replacement card was sent or received. Nationwide initially said that Mrs E had used the replacement card but has subsequently accepted that she hasn't.

Based on the evidence I have, I can't be certain that Nationwide issued a replacement card and letter to Mrs E. Nor have I seen any evidence that Nationwide communicated with Mrs E by (for instance) phone, email or text to let her know that a replacement card had been issued.

This left Mrs E in a vulnerable position whilst abroad. I appreciate that Nationwide wasn't aware that Mrs E was going abroad, but I don't think this matters, because the failure to communicate the cancellation of the card would've caused distress and inconvenience in any circumstances.

I'm aware that Mrs E had to borrow money from a friend to meet her day-to-day holiday expenses, having had to use all her holiday cash to pay for the car hire that she intended to use her credit card to pay for. I appreciate that this has resulted in a situation where Mrs E has felt obliged to repay her friend sooner than she might have repaid her credit card, but I'm not persuaded that Mrs E has suffered a financial loss. However, I do acknowledge the distress and inconvenience caused to Mrs E.

Taking everything into consideration, I think that Nationwide could've done more to prevent this situation from arising, by making sure that it communicated more effectively with Mrs E about the cancellation of her old card and the issue of a replacement card. The service failing resulted in unnecessary distress and inconvenience being caused to Mrs E whilst she was on holiday. I'm therefore in agreement with the investigator that Nationwide should pay compensation.

I've thought about what amount of compensation is fair and reasonable. As I've said above, I recognise that Mrs E was caused some inconvenience. However, she was able to borrow money from another source to continue with her holiday and hasn't suffered a financial loss. I'm therefore in agreement with the investigator that compensation of £75 is fair and reasonable in the circumstances.

Putting things right

To put things right, Nationwide Building Society must pay compensation of £75 to Mrs E.

My final decision

My final decision is that I uphold the complaint. Nationwide Building Society must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 19 February 2025.

Emma Davy
Ombudsman