

## **The complaint**

Mrs B complains that Nationwide Building Society failed to assist her when she was the victim of fraud.

## **What happened**

Both parties are aware of the details of events so I will give a brief summary here.

On 26 May 2023 Mrs B booked a holiday to commence on 31 July 2023. She did so via phone with the merchant and was told she had to make two separate payments, one for the hotel and the other for flights. Mrs B made a transfer of £1,525.74 for the flights from her Nationwide current account. Her e-ticket did not arrive and she contacted the merchant. Mrs B says that she was told the flights had been booked but not in her name.

Mrs B contacted Action Fraud and Nationwide. It pursued a chargeback, but this was challenged by the merchant which said the flights had been provided and used. Nationwide said that it had not treated the matter as fraud since Mrs B had authorised the payment.

Mrs B brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. He said Nationwide had exercised its judgement on the issue of fraud and had made a reasonable decision to pursue a chargeback. The merchant had shown the flights which Mrs B had booked had been taken. He also noted Mrs B had authorised the payment and Nationwide had no reasonable basis to stop it. Having looked at her typical spending the payment was not out of character.

Mrs B didn't agree and asked the matter be referred to an ombudsman.

## **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 have every sympathy with Mrs B but I do not consider I can uphold her complaint. I will explain why.

As our investigator has explained her complaint is not about Nationwide's handling of the chargeback, but about it not treating the matter as fraud. However, I will touch on the chargeback aspect.

Mrs B said that she had paid for a service which was not provided and so it was reasonable for Nationwide to seek to make a chargeback. As our investigator noted, chargebacks are subject to the rules set out by the relevant card scheme whose logo appears on the card. The card schemes are not within the jurisdiction of the Financial Ombudsman Service and we are unable to require them to run their chargeback schemes in a particular way. However, we can consider whether a card issuer has applied the rules correctly and conducted the chargeback process in a competent manner.

I consider Nationwide followed the correct procedures when making the chargeback and the

merchant put forward a challenge which did not merit being appealed.

I have looked at the merchant's response and I see that tickets were booked for another flight to a different destination and these were used by somebody. The confirmation invoice, which was addressed to Mrs B's address, albeit to another person, shows details of the flights booked. In its response the merchant also provided details of another booking to the destination I believe Mrs B had booked and at a much lower price. All of this suggests some confusion in the booking.

I believe Mrs B authorised the payments herself when booking the flights. If she had been duped into purchasing flights she did not want, under the Payment Services Regulations 2017, she is presumed liable for her loss in the first instance. As such I don't consider that Nationwide can be held responsible for her loss.

I have reviewed her bank statements from the time of the purchase and I cannot see there would be any reasonable grounds for Nationwide stopping the payment as suspicious. The payment does not look out of line with the activities on the account and it was made to a legitimate merchant.

Quite simply, I cannot say that Nationwide can be held responsible for any loss Mrs B suffered as a result of this purchase.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 21 March 2025.

Ivor Graham  
**Ombudsman**