

The complaint

Ms T says Nationwide Building Society (“Nationwide”) refuses to refund her for transactions on her account she says she didn’t authorise.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail.

In short, Ms T says transactions on her account between 23 December 2024 and 2 January 2025 to an online gambling company were not authorised by her. She says she suffers from memory loss and other medical concerns and has been in an abusive relationship in the past. She says she had written down her online banking security details and stored them in a kitchen cupboard, she also says her phone has no password protection. Ms T says Nationwide should refund her for all the transactions in dispute as they were all unauthorised, and it also should’ve flagged the volume of transactions as suspicious.

Nationwide says it thinks Ms T is responsible for the transactions in dispute as there is evidence of genuine undisputed gambling transactions on her account. It also says that Ms T has received winnings from the gambling transactions involved, so these are unlikely to have been carried out by a third party as any financial gain would be paid into Ms T’s account.

Our investigator considered this complaint and felt it wasn’t one she could uphold. She felt, despite Ms T’s vulnerabilities, she was grossly negligent in writing down her online banking details and storing them somewhere where others had access. Ms T wasn’t happy with this outcome, so the complaint has been passed to me for a final 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.

Generally speaking, Nationwide is required to refund any unauthorised payments made from Ms T’s account. Those rules are set out in the Payment Service Regulations 2017. However, the regulations also say that account holders can still be liable for unauthorised payments under certain circumstances – for example, if they’ve failed to keep their details secure to such an extent it can be termed “grossly negligent”. Ms T has said she didn’t carry out the transactions in dispute. So, I then must give my view on whether I think Ms T authorised the transactions or not, and whether her actions amounted to gross negligence.

Nationwide has provided evidence that the transactions were completed online using Ms T’s debit card details, which is likely to have included her long card number, the expiry date and the CVV security number. It has also provided evidence that the transactions in dispute were only processed after an additional authorisation step through Ms T’s mobile banking app. So, whoever completed these transactions had knowledge of her card details and her online banking security details to access her account.

Ms T says she suffers from memory loss, and other medical conditions. As a result, Ms T says it's important her phone doesn't have a password so her children can use it to call for help if needed. She also says she had written down her online banking details on paper and stored these in her kitchen cupboard, labelled "Banking".

Based on what I've seen I think there are three possible options here. One is that Ms T carried out the transactions herself. Another option is that she consented to the transactions by making her card and online banking details available to someone else. The third option is that a third party took her card and online banking details, which she had written down and kept in an unsecure location and used these to make the transactions in dispute.

In practical terms, it doesn't make any difference which of these three options happened here. That is because Ms T is liable whether she carried them out herself; or allowed someone else to do so; or was grossly negligent by leaving her card and online banking details in her unsecure in her kitchen cupboard. The terms and conditions of the account, to which Ms T would've had to consent to when opening the account, provide the customers must keep their information secure, so by not doing so, Ms T was also breaking the terms and conditions of the account.

I've considered what Ms T said about the fact that she suffered from memory loss and that this is the reason she had to write her details down. However, I don't consider the act of just writing down this information to amount to gross negligence – as the bar is high. But I do think it was grossly negligent of Ms T to store this information in an unlocked cupboard in her kitchen. Especially since she has had problems with fraud on her account in the past, and she had multiple people regularly coming in and out of her kitchen.

Ms T says Nationwide should've flagged these transactions as suspicious, due to the volume of transactions in a few days. I agree the volume of transactions is large, however, usually we would expect large payments, perhaps international payments, or payments significantly out of character to be flagged. The payments in dispute were individually for a relatively low sums and there was no indication that this could have been fraudulent – like failed verification attempts. There is also evidence of payments to other gambling websites which are undisputed. So, I don't think these transactions were significantly out of character and I don't think Nationwide did anything wrong by not blocking these transactions.

I know this outcome will come as a disappointment to Ms T, however, based on the evidence I find Ms T liable in any of the three possible scenarios described above. So, I am unable to uphold this complaint, and I don't think Nationwide need to refund her for any of the transactions in dispute.

My final decision

For the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 28 May 2025.

Sienna Mahboobani
Ombudsman