

The complaint

Miss L has complained Nationwide Building Society won't refund transactions she didn't authorise.

What happened

In September 2023 Miss L had a panic attack in the street. She was helped by a stranger and ended up booking into a hotel to recover as she was unable to continue with her plans.

The unknown third party helped her check into the hotel. Miss L went to sleep as she was so physically drained from what had happened. The stranger had gone by the time Miss L awoke and she went on with her plans for the day.

Miss L noticed her card was missing and ended up struggling to get money to get herself home. She subsequently asked Nationwide to refund £1,400.42 as she'd reported these losses to the police as well. Nationwide asked her to provide CCTV which by that stage was inaccessible. Nationwide confirmed they wouldn't refund her.

Miss L referred her complaint to the ombudsman service.

Our investigator noted there were discrepancies in Miss L's testimony and some transactions had most likely been authorised by her. However, there was a clear point of compromise so she agreed that Miss L should be refunded £1,222.90, along with 8% simple interest. Overdraft fees that Miss L had to pay during the period of the disputed transactions would also need to be refunded.

Miss L accepted this outcome.

Nationwide wouldn't agree as they didn't believe the transactions were unauthorised. Miss L's complaint has been 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where

appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Miss L's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. There are other factors to take account of but Nationwide's position is that these transactions were authorised by Miss L so I've not felt the need to consider issues relating to, for example, gross negligence.

To help me come to a decision, I've reviewed the evidence Nationwide provided as well as Miss L's testimony.

I'm satisfied there is not sufficient evidence to show Miss L authorised these transactions. I say this because:

- There is a clear point of compromise as Miss L fell asleep in her hotel room whilst she was with a third party.
- Miss L's own testimony is that her debit card was in her wallet and when she awoke the following day, this was missing. Her testimony – backed by the phone calls she made to Nationwide after this happened – is that this individual could have seen her input her PIN when using her debit card.
- Miss L's assumption was this could have been when she booked into the hotel at 01:57 on 3 September, except this was a contactless payment. However, I can see there were two local supermarket purchases completed within the previous two hours. The latter was completed an hour and 5 minutes before Miss L booked into the hotel. The evidence shows this was completed using her card and PIN and Miss L has subsequently confirmed this must have been her.
- The transactions after Miss L booked into the hotel bear no resemblance to those transactions Miss L normally makes. There were three cash machine withdrawals totalling £1,000. The first £500 was withdrawn at 06:05 on 3 September, and two further withdrawals of £250 apiece were at 02:48 and 02:50 on 4 September. It's hard to argue anything other than these look like fraudulent transactions.
- There were also some transactions which were fraudulently attempted which didn't succeed. This also resembles what we see when fraudulent transactions are made.

There has been considerable scrutiny by Nationwide on Miss L. Their contact notes and emails to our service has suggested her testimony about a panic attack was unbelievable. It seems to me they've been making a moral judgement about her going to a hotel with someone she didn't know. I have to add that this issue is irrelevant to what I believe happened and which I believe is backed up by the evidence. Miss L was helped by someone and this turned out badly with that individual seeing her use her PIN and then steal and use her debit card.

I'd like to assure Nationwide that I've considered the discrepancies within Miss L's testimony but I don't see anything there which makes me doubt she's been the victim of fraud.

Putting things right

As I'm satisfied there was a series of unauthorised transactions on 3 and 4 September, Nationwide will need to refund Miss L. I've noted their comments about a travel-based transaction processed at 02:51 for £9.10 on 3 September. I agree with them that this is most likely travel made and authorised by Miss L on 2 September so this amount can be taken off the final amount.

This means Nationwide will need to repay £1,213.80 to Miss L, along with 8% simple interest a year from the dates of the transactions. Like our investigator I've noted various overdraft

charges that Miss L was subject to after these disputed transactions were made. These will need to be refunded.

My final decision

For the reasons given, my final decision is to instruct Nationwide Building Society to:

- repay £1,213.80 to Miss L for the disputed transactions;
- add 8% simple interest a year from the dates of the transactions to the date of settlement; and
- refund various overdraft charges that Miss L was subject to after these disputed transactions were made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 13 May 2025.

Sandra Quinn
Ombudsman