

## **The complaint**

Mr H complains that Nationwide Building Society (Nationwide) won't refund transactions which occurred in January 2025 which he says he didn't authorise.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr H says he lost his wallet containing his card and personal identification number (PIN). He says that following this around £850 was taken from his account which he didn't approve.

Mr H accepts that some of the spending occurred in places that he usually spends money but stresses that this wasn't him. He also says that the reason he keeps his PIN and card together is due to his health issues and vulnerability. He also mentioned that he has issues with his short-term memory which is why he stores the PIN and card together.

The investigator concluded that Nationwide acted fairly by not refunding Mr H the payments he's disputing. They also mentioned that Nationwide has previously refunded a similar claim back in 2024 (giving Mr H the benefit of the doubt) and that Nationwide had stressed again the importance of Mr H keeping his personal details (such as his PIN) safe to reduce the risk of fraud in the future.

As Mr H disagrees this complaint has been passed to me for a decision.

Following the investigator's assessment Mr H has confirmed that he wanted to complain about all transactions that occurred in January 2025 – which included some cash withdrawals which he says he didn't authorise.

From Nationwide's internal notes, it appears that Mr H lost two cards in January 2025 associated with his Nationwide account. The first card was recorded as lost/stolen on 8 January 2025 and the second card was recorded as lost/stolen on 19 January 2025. The transactions he's complaining about occurred mostly on the second card, but Mr H has also said the transactions completed on his earlier card in January 2025 were unauthorised.

Following my provisional decision issued in July 2025 Mr H provided additional information about his personal circumstances. He mentioned that he had a psychotic episode in January so has no recollection of losing his card until the following day. He reiterated that somebody else used his card and were able to use his "identification" as he had that on his possession. He also mentioned that he is a vulnerable and mentions that his autism makes him more susceptible to being exploited.

As an agreement wasn't reached following my provisional decision I'm issuing 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.

I've also carefully considered the information given after I issued my provisional decision. Having done so, I don't uphold this complaint.

Generally speaking, Nationwide is required to refund any unauthorised payments made from Mr H's account, and Mr H should only be responsible for transactions made on his account that he has authorised. Those rules are set out in The Payment Services Regulations 2017 (PSRs).

The PSRs go on to say that if payment server user (here Mr H), as a result of gross negligence, failed to take reasonable steps to keep his security details safe, resulting in a third-party getting a hold of those security details to carry out the unauthorised transaction, they would be liable for any losses incurred as a result of that transaction. I've considered this part of the regulation in more detail below.

#### Disputed chip and PIN transactions

Nationwide's terms and conditions, which set out what they and Mr H agreed to, mention that Mr H will need to take care of his account. They also say Mr H should keep his PIN secret and take reasonable precautions to take care of (among other things) his PIN and follow any instructions Nationwide gives in connection to security details. So I'm persuaded Mr H knew or should have known how important it was to keep his PIN secret.

Nationwide's internal notes show that the disputed transactions were either completed by contactless payment or by chip and PIN. And I've seen nothing to show that there were multiple failed PIN attempts. I therefore think it's likely that transactions completed using chip and PIN were completed by somebody who knew the PIN.

Mr H has consistently said that he stores his PIN and card together and has explained that this is due to his poor memory. I appreciate that he mentioned to our service following the initial assessment that he has no recollection of writing his PIN down. And I've also noted that following the provisional decision Mr H also said that somebody else "used my identification which I had in my possession". As Mr H has repeatedly informed Nationwide that he stores his PIN and card together, I'm persuaded he probably had on this occasion too.

As I have detailed above under the PSRs and the terms of the account, Mr H was required to keep his security details safe. And while I'm sympathetic to Mr H's situation, I think a reasonable person would keep their PIN and card apart to significantly reduce the chances of a third-party having access to their bank account. Especially if funds had previously been fraudulently taken from their account because the PIN and card were stored together.

Storing the card and PIN together effectively negates the extra layer of security a PIN provides. I've also noted that Nationwide's terms and conditions say that if Mr H found it difficult to remember his PIN he could change it to something more memorable at any Nationwide cash machine.

Nationwide also had a call with Mr H (where they previously refunded transactions he disputed) in May 2024 where they stressed that Mr H should not write down his PIN and at the very least should keep his PIN and card separate. They referenced the account terms and mentioned that Mr H could change his PIN to something more memorable at a cash machine but that this shouldn't be easily guessable (such as "1234"). So I'm satisfied Mr H was made aware of the requirement to keep his PIN and card separate.

I've also noted that two of the additional transactions that Mr H wants to complain about which took place in January 2025 were also completed using Mr H's chip and PIN .

Because of the above, after carefully considering all the information given, my finding is that Mr H was grossly negligently in the way he recorded and kept his PIN. And that makes him responsible for the transactions completed using chip and PIN.

#### Disputed in branch transactions

Nationwide have also confirmed that two transactions (£50 cash withdrawal on 3 January 2025 and a £200 cash withdrawal on 6 January 2025) were both completed in a local branch. And I can see that the local branch is in the same city as the address we have for Mr H, and according to one online map is a 25-minute drive away from where he lives.

Nationwide confirmed that to complete these transactions Mr H must complete a full authentication process which involves answering specific questions about himself, such as his date of birth. And I've not been provided with a plausible explanation as to how anybody but Mr H would have been able to answer these questions. Nationwide also confirmed that Mr H didn't report his card as lost/stolen during these branch visits. After reviewing the information relating to these transactions I'm satisfied that Nationwide has acted fairly in treating these transactions as authorised.

#### Disputed contactless transactions

I've also looked into the contactless transactions that Mr H is disputing and carefully considered his explanation about losing his card and PIN. Taking that into account, along with the details of the disputed transactions, I don't think there's enough evidence to say, on balance that the transactions were unauthorised. Mr H acknowledges that many of the disputed transactions took place at places where he regularly shops. I have also noted that the transactions in question took place over a couple of days, the majority were small amounts, and didn't drain all the funds from the account, which in my experience isn't typical in cases involving unauthorised transactions.

Mr H has also told our service that he had a mental breakdown in January and that he is on medication for his mental health. He mentioned that he has autism, dyspraxia and dyslexia and has a support worker who helps him with daily tasks. Following the provisional decision he also says that he had a psychotic episode in January. He believes that the transactions should be refunded as he doesn't believe the transactions were approved due to him making a mistake.

I appreciate Mr H sharing details about his circumstances. Regarding payment transactions, the regulations say a consumer's consent "must be given in the form, and in accordance with the procedure, agreed between the payer and its payment service provider" (PSR 2017 R.67(2)(b)).

So the ways a consumer can give consent should be set out in the terms and conditions of the account. The concept of consent is a formal one – if the consumer uses the agreed form and procedure for making payment orders then they have given consent to the execution of the payment transaction.

This is an objective test, and it doesn't depend on the consumer being fully aware of the details of the payment at the time. Simply put, if the bank receives a request from its customer to make a payment – in line with the terms and conditions of the account, then it is fair for them to consider the transaction as consented to and therefore authorised. And it's not disputed that the payments were completed either by Chip and PIN, in branch, or by contactless card transaction which is a method both Mr H and Nationwide agreed to.

For this reason and the reasons stated above, after carefully reviewing all the information given, I haven't found that Nationwide treated Mr H unfairly by not refunding the transactions Mr H is disputing, so I'm not asking them to do anything more here.

**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 Mr H to accept or reject my decision before 11 September 2025.

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**Ombudsman**