

## **The complaint**

Mr P has complained Nationwide Building Society won't refund two transactions he says he didn't authorise.

## **What happened**

In December 2024 Mr P contacted Nationwide to dispute two transactions on his account which he'd not made. These were payments to an individual Mr P had paid previously and the payments were for £300 and £340.

Nationwide wouldn't refund Mr P as their evidence confirmed these transactions had been made on Mr P's own mobile device and at an IP address used previously.

Mr P brought his complaint to the ombudsman service.

Our investigator noted a subsequent fraud claim Mr P had made in January 2025 had been accepted by Nationwide. She found that the evidence relevant to that complaint also applied to this one. She believed, based on what Mr P had told us about a known third party, that this individual had made these payments using Mr P's device and login details that they knew. She asked Nationwide to refund Mr P, along with 8% simple interest.

Nationwide didn't accept this outcome. They pointed out the inconsistencies in what Mr P had told them at the time.

Mr P's complaint has been referred to an ombudsman for 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.

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.

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 Mr P'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 exceptions to this and that would include if the customer had acted with gross negligence or intent to allow any security details – including the card and PIN, and mobile banking access – to be used by someone else.

To help me come to a decision, I've reviewed the evidence Nationwide provided as well as what Mr P has told us.

I don't believe Mr P authorised the two disputed transactions. I say this because:

- The technical evidence provided by Nationwide shows the device and IP address match those Mr P had previously used. However, the payments were authenticated by pass number rather than by biometrics which was the authentication mode used by Mr P in a payment made three days before to the same individual.
- Nationwide has stated they don't know how a third party could have access to Mr P's card and banking details. Their own notes, however, state that they are aware of an individual that Mr P was in a relationship with. These confirm, "*we believe [X] has the card*" and noted that Mr P's "*relationship with [X] is very abusive mentally*". So I believe it's quite clear how a known third party could have got hold of Mr P's device and make the transactions.
- I appreciate Nationwide's concern that Mr P has provided different evidence on different occasions about what was going on here. In light of his allegations about abuse by this known third party, I don't believe this is particularly surprising or should lead Nationwide to decide that Mr P made these transactions. I also don't believe, as Nationwide has suggested, that Mr P was acting with gross negligence. As this was someone Mr P had previously been close to, it wouldn't be at all surprising for them to be able to locate and use Mr P's device and banking details.

I note what Nationwide has told us about their reasoning behind closing Mr P's account but without any additional evidence, I can confirm this has had no bearing on my decision.

Considering authentication and consent within the PSRs, I'm satisfied there's sufficient evidence to show Mr P didn't authorise these two disputed transactions.

### **Putting things right**

I will be asking Nationwide to refund £640 to Mr P, along with 8% simple interest.

### **My final decision**

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

- Refund £640 to Mr P; and
- Add 8% simple interest to this amount from 27 December 2024 to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 1 August 2025.

Sandra Quinn  
**Ombudsman**