

## **The complaint**

Mrs P has complained Nationwide Building Society won't refund her for 11 transactions she didn't make.

## **What happened**

Just before Christmas 2024, Mrs P was shocked to discover there was little money left in her Nationwide account. There'd been nearly £30,000 in her account and suddenly there was nothing. Between 3 and 7 December there'd been numerous transactions carried out using her card details. Mrs P reported these as fraud to Nationwide as she'd not authorised these transactions.

A replacement debit card was sent to her. Nationwide reviewed what had happened but didn't think they'd done anything wrong and wouldn't refund Mrs P.

Mrs P's son has helped Mrs P bring her complaint to the ombudsman service.

Our investigator initially didn't see sufficient evidence to believe the payments had been authorised by Mrs P in accordance with the Payment Services Regulations 2017. However, he then felt that these must have been authorised by virtue of a card reader and Mrs P's debit card being used. He asked Nationwide to refund payments based on the fact they should have identified these as unusual.

Nationwide were convinced as the payments had been effectively authenticated, that further checks would not have been triggered. They've asked an ombudsman to review Mrs P's complaint.

## **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 a slightly different outcome to our investigator. I've been in touch with Nationwide already to 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 Mrs 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 or online banking details – to be used by someone else.

I note Nationwide has not suggested Mrs P has acted in a grossly negligent manner, but they have confirmed that Mrs P's physical debit card and PIN must have been used to authenticate the payments.

That said, I have to say that I'm unconvinced by the evidence Nationwide has shared with our service. To assist in my decision, I have reviewed the evidence they've provided, which includes technical data. I've also gone back to Mrs P's son for further information about Mrs P and how likely it might be that she were to fall for a scam.

My initial thinking was that Mrs P must have used the card reader and inserted the PIN herself. But to do this she must have been the victim of a scam. Having questioned Mrs P closely, I accept that this is unlikely. Although Mrs P is advanced in years, she understands her finances and is well aware of the risks fraudsters present.

I've also explained my thinking in detail to Nationwide as I felt they may accept that the transactions here – which are 11 transactions in December 2024 and a further three in January 2025 – very much resemble fraudulent transactions. But they were unwilling to do so.

I don't believe there's sufficient evidence to show that Mrs P authorised these disputed transactions. I say this because:

- All 14 transactions (plus two that were declined due to insufficient funds) were made to government agencies – the Borders Agency and UK Visa and Immigration. I can see no reason why Mrs P would be making those transactions. The nature of the transactions, the amounts and the shortened period over which these occur all suggest these were fraudulent.
- I've seen no explanation why Mrs P would authorise three transactions undertaken on 17 January when these are more than three weeks after she reported the initial fraud.
- Nationwide has suggested Mrs P delayed reporting this fraud and was carrying out online banking throughout. This doesn't match Nationwide's online banking report. This shows one short login on 4 December and another momentarily on 13 December. As Mrs P's account held a relatively high balance, I see no reason why she'd be needing to check her account regularly. I believe Mrs P reported this when she saw the limited balance remaining in her account.
- There's no dispute Mrs P retained her debit card throughout. Her bank statements show undisputed payments being made throughout the time of the fraudulent transactions.
- There's evidence that Mrs P attempted to use her card reader but from the evidence I've seen, I can't see that any of these were successfully completed. This matches what Mrs P has told us that she doesn't like using the card reader and finds it finicky.
- It is not my role to discover who carried out this fraud. That is not what the PSRs require. However, I do believe there are sufficient scenarios for someone to have been able to use Mrs P's debit card if Nationwide's evidence is indeed correct that her genuine card was used.
- Nationwide has stated *"the card reader itself isn't secure, you can use another person's card reader for example"*.
- Nationwide's notes on Mrs P's record when reviewing the fraud also tells a story.

These variously state *“not one on (sic) the transactions were used via a UK IP address. Not one of these IP addresses match on members profile. There are multiple devices used to make the transactions”*. And *“the transactions are indicative of fraud”*.

- It's clear that Nationwide feels Mrs P is responsible for explaining what happened. They have stated *“the member has not given sufficient information around how card reader could have been used for the transactions in question”*. In fact, it is for Nationwide to show that the transactions were effectively authenticated in accordance with the rules. And of course, as Nationwide confirm it may well not have been Mrs P's card reader that was even used.

Overall, I don't believe there's enough evidence to show Mrs P authorised the transactions in dispute.

### **Putting things right**

As I believe the transactions weren't authorised, Nationwide will have to refund Mrs P in full. It appears that one of the initial transactions was part-refunded by UK Visa and Immigration Service as £1,035 was paid into Mrs P's Nationwide account on 12 December. This reduces her loss of £29,589 to £28,554. However, whilst Nationwide refunded two transactions made on 17 January, for reasons I can't identify they didn't refund the payment for £822 taken the same day. This means a total of £29,376 needs to be refunded to Mrs P, along with 8% simple interest.

Our investigator asked Nationwide to pay Mrs P £150 in addition for the trouble caused. I believe this is fair and reasonable.

### **My final decision**

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

- Refund £29,376 to Mrs P;
- Add 8% simple interest from the date of the transactions to the date of settlement; and
- Pay £150 to Mrs P for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 17 October 2025.

Sandra Quinn  
**Ombudsman**