

The complaint

Mr P complains Nationwide Building Society will not refund transactions made from his account which he says he did not make or authorise.

What happened

On 19 June 2024, Mr P reported a transaction of £549 made using his Nationwide debit card details to Google as fraudulent. On 21 June 2024, two further transactions totalling £137.65 to Uber Eats were made using Mr P's debit card details. Mr P said his email address had been compromised, and this had given an unauthorised party access to his PayPal and Uber Eats account to make the transactions.

The Uber Eats transactions were eventually refunded by Uber Eats. But Nationwide refused to refund the £549, it said this was because the information it had received back from the merchant showed the transaction had been made via Mr P's PayPal account, using his email address and phone number. Following a complaint, Nationwide still refused to refund the transaction.

Mr P referred his complaint to our service. An Investigator considered the circumstances. She said, in summary, Mr P had provided evidence which showed his email address had been accessed from an unknown device, the evidence for the £549 payment showed a delivery address that wasn't Mr P's and she didn't think what Nationwide had said about Mr P's email address and phone number being used meant he'd authorised it, since these things would have been available to someone who'd accessed Mr P's email address and PayPal account. The Investigator recommended Nationwide refund the Google transaction and pay 8% interest.

Nationwide didn't accept the Investigator's findings. It said the email address, phone number and log in details all matched Mr P's genuine details and were used for previous transactions which hadn't been disputed. And the evidence Mr P had provided didn't sufficiently show how his email address had been compromised. Nationwide also said it felt Mr P should refer his claim to PayPal, rather than Nationwide.

As Nationwide didn't agree, the complaint was passed to me to decide.

I issued a provisional decision. I've including my findings below and they form part of this decision.

Provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Under the Payment Services Regulations 2017 ("PSRs"), generally, Nationwide can hold Mr P responsible for transactions he made or authorised.

Nationwide has provided evidence the transaction was made at 9:59pm on 18 June 2024 online. Mr P has explained he believes his email address was compromised, which allowed an unauthorised party to access his PayPal account and make the disputed Google transaction using his Nationwide debit card details – which were saved there. Similarly, by accessing his emails, the third party gained access to his Uber account.

Because the payment was made online, this means the disputed transaction involves a distance contract. A distance contract involves transactions made where the customer is not physically present at a merchant, like telephone or online transactions. This means the only basis on which Mr P could be held liable for the transactions is if he authorised them.

Nationwide initially raised a chargeback in relation to the Google transaction. The information received in response showed that a mobile phone had been ordered online. Mr P's email address, phone number and PayPal login had been used to make the transaction. But since Mr P's told us his email address had been compromised, I don't think it's surprising that these details were used in processing the disputed payment. Nor do I think this alone would mean he authorised the Google transaction.

To hold Mr P liable for the transaction, the evidence needs to show that he consented to the payment.

Mr P has provided evidence that his email address was accessed by a device that he doesn't recognise. Nationwide says this evidence doesn't show which email address has been compromised or how that email address was compromised. Nationwide's correct that it doesn't specify the email address, though it does show a Gmail account – which is the type Mr P says was accessed by someone else.

The evidence shows the disputed Google transaction had a delivery address that wasn't Mr P's and was over a hundred miles away from his home address. Similarly, the Uber Eats transactions were made using addresses in locations much closer to the delivery address for the Google order, rather than Mr P's home address. Mr P has also provided evidence that another account of his was used by an unauthorised party, again electronic equipment was ordered online to an address in the same area as the Google and Uber Eats transactions.

Based on what Mr P has told us, it's not clear how his email address came to be compromised. But, as I've explained, the evidence shows the disputed transactions involved goods being delivered to several different addresses and I've seen nothing to suggest these addresses were linked to Mr P in any way. The nature of online fraud is such that we may never know for sure how the email address was compromised. And, since the transactions involve distance contracts, there's no other basis on which Nationwide can hold Mr P liable for them. So I don't think, on balance, Mr P authorised the disputed payments to Google or Uber Eats. Since the Uber Eats transactions have already been refunded, I don't intend to require Nationwide to refund them.

Nationwide have maintained throughout that Mr P should refer to PayPal regarding the Google transaction, however, the disputed transaction debited Mr P's Nationwide account. Under the PSRs, Nationwide is obliged to refund unauthorised distance transactions – so I don't think the fact that the transaction was made via PayPal makes any difference in these circumstances.

Overall, I'm not persuaded the evidence shows Mr P authorised the disputed Google transaction. So, I find Nationwide should refund it.

Responses to my provisional decision

Mr P responded to say he had nothing further to add.

Nationwide responded to say it didn't agree with my provisional decision, it said:

- It had not been provided with evidence of the email address being compromised.
- The delivery addresses not matching Mr P's home address didn't confirm fraud.
- PayPal had confirmed, via the chargeback process, the same device, IP address and TouchID were used to make the disputed transactions.

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.

Nationwide said it still hadn't been provided with evidence of Mr P's email address being compromised. But the evidence referred to in my provisional decision is the same evidence we've previously shared with Nationwide. I acknowledged the limitations of that evidence in my provisional decision.

I agree that the matter of the delivery addresses alone wouldn't confirm fraud. But taking into account the apparent compromise of Mr P's email address, the other disputed activity also having delivery addresses in the same area not local to Mr P's home and that I've seen nothing that would suggest Mr P is linked to these addresses – I still find, in these particular circumstances and on balance, this points to Mr P not having authorised the disputed transaction.

Nationwide says PayPal confirmed in its chargeback response that the same device, IP address and TouchID was used for the disputed transaction as was used for other, undisputed prior use of the PayPal account. And I accept that PayPal told Nationwide this, but I've seen no evidence to show the device, IP address and TouchID matched prior undisputed use. So in those circumstances, I don't think this is sufficient for Nationwide to hold Mr P liable for the transaction.

Taking into account everything I've seen, my findings remain that Mr P did not authorise the disputed transaction to Google, so Nationwide should refund it.

My final decision

For the reasons I've explained, I uphold this complaint.

To put things right, I require Nationwide Building Society to:

- Refund the disputed transaction.
- Nationwide should pay 8% per year simple interest on the refund amount from the date it was paid until the date of settlement. If Nationwide considers it's obliged to remove tax from this interest, it should tell Mr P how much it has taken off. Nationwide should give Mr P a certificate showing how much tax it's taken off, if Mr P asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 October 2025.

Eleanor Rippengale
Ombudsman