

## **The complaint**

Mrs T complains that Nationwide Building Society allowed a continuous payment authority (CPA) to continue on her credit card after she had contacted it to cancel the authority.

## **What happened**

On 5 September 2024, Mrs T says she called Nationwide to cancel a CPA on her credit card account. She says she was told that it would cancel the payment, but it could only be stopped completely by the merchant. Mrs T was unhappy with this, as she felt that it should be cancelled irrespective of the merchant's position.

Despite Mrs T having cancelled the CPA, a payment of £99.99 left her account on 18 November 2024.

Nationwide didn't think it had done anything wrong in relation to the CPA. It explained to Mrs T in its final response letter to her that it did attempt to block the transaction by using the merchant ID that was used to process the initial payment. However, when the merchant collected the funds again it used a different merchant ID, so the payment went through.

Nationwide also referred to the terms and conditions of Mrs T's account. Nationwide explained that it told Mrs T over the phone that the block isn't guaranteed. But it had processed a dispute on her behalf to attempt to recover the funds – which it said wasn't its normal process. Nationwide paid Mrs T £125 for not logging a complaint for her when she asked it to.

An Investigator considered the information provided by both parties and they felt Mrs T's complaint should be upheld. They said the Payment Services Regulations are clear in stating that a consumer who has set up a CPA can cancel it by contacting their bank, and that the consumer doesn't have to contact the merchant. They also explained that the Financial Conduct Authority (FCA) had issued guidance making it clear that banks who fail to cancel CPA's when asked should refund any unauthorised payments. The Investigator said Nationwide should refund the payment made under the CPA, and it should pay Mrs T £100 for the distress and inconvenience.

Mrs T agreed with the Investigator's view and explained that Nationwide had since paid the £99.99 back to her account, on the condition that the merchant doesn't dispute the refund.

Nationwide responded to the view, but they didn't agree with the Investigator. They provided evidence to show that they had attempted to block the payment leaving Mrs T's account. But because the merchant had used different details to process the payment, the transaction had gone through. It said it had explained to Mrs T that this could happen. It said that the payment had been refunded via the dispute process and that it didn't appear to have been challenged by the merchant. Nationwide didn't think a further payment of £100 was warranted in this case.

Because an agreement couldn't be reached, the complaint was passed to me to decide on the matter.

I previously issued a provisional decision on this case, that's because I provided additional reasoning for my outcome, compared to that of the Investigator. Because of this, I wanted to give both parties the chance to respond with anything else they wanted me to consider before I came to my final decision on the matter.

I have copied my provisional findings below, which also forms part of this final decision.

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

*Having considered all of the available evidence, I intend to uphold Mrs T's complaint.*

*There is information for businesses on this Service's website which refers to when a consumer cancels a CPA, the information has been based on the Payment Services Regulations 2017. In summary, this explains that a consumer can cancel a CPA by either contacting the merchant or the card provider. Mrs T did the latter in this case, and so it was essentially up to Nationwide to ensure the CPA was cancelled. Guidance published by the FCA also confirms similar.*

*I can see from the evidence provided by Nationwide show that it did try to block the transaction – but because the merchant used a different ID to what it had before, the payment went through. I can also see that Nationwide did explain to Mrs T that this could happen. I don't think Nationwide have acted unfairly or unreasonably here – it made an attempt to block the payment and explained to Mrs T that it might still go through. But the reason I've decided to uphold this complaint is in relation to what happened after the merchant collected the payment.*

*In summary, once the payment was collected, Nationwide said Mrs T would need to raise this as a dispute. But I don't think that's fair in the circumstances, and I'm of the view that Nationwide should have done more to support Mrs T.*

*While I accept it might have been difficult for Nationwide to cancel the CPA, it was required to do so. After Mrs T cancelled the CPA with Nationwide, any payments taken after this were technically unauthorised which means that Nationwide were required to provide Mrs T with a refund. While it appears to have removed the transaction from Mrs T's statement, it did so as part of the disputes process, which wasn't to be guaranteed to be successful. This process took time, which I don't think was necessary. And during that time, Mrs T was aware that the dispute might not be successful, which would likely have caused uncertainty about whether or not she was going to be refunded.*

*In my view, and taking into account all of the information I've referred to above, I'm persuaded that Nationwide should and could have provided Mrs T with a refund quicker than it did. I don't think it was fair of Nationwide to have made Mrs T wait for the outcome of a dispute for her to get her money back – Nationwide should have refunded Mrs T immediately once the payment was collected in November 2024, and attempted to recover its losses with the merchant in its own time.*

*Because of this, I do find that Nationwide has caused Mrs T unnecessary inconvenience and distress. And so I will require it to do something to put things right for Mrs T."*

Mrs T responded to the provisional decision and accepted the outcome.

Nationwide responded to the provisional decision – although it agreed to put things right for Mrs T in the way I had suggested, it said it had done so because it had identified that it had

asked Mrs T for information that she had already provided. It maintained that it had followed the correct process by submitting a chargeback to attempt to get Mrs T's money back. It also confirmed that the refund of £99.99 had already been provided.

### **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 considered everything again, I uphold Mrs T's complaint for the same reasons as set out in my provisional findings.

I have noted Nationwide's comments that it feels it did the right thing by raising a chargeback, and that Mrs T could have set up a new instruction with the merchant. But even if I accept that Mrs T could have set up a new instruction with the merchant, Nationwide knew this wasn't the case when Mrs T contacted it to let it know payment had been taken, which was ultimately unauthorised. I'm still of the view that Nationwide should have provided Mrs T with a refund of the unauthorised amount quicker than it did.

### **Putting things right**

To put things right I'm currently of the view that Nationwide should:

- Ensure that Mrs T has received a refund of the £99.99.
- Pay Mrs T an additional £100 for the distress and inconvenience to her.

I note that Mrs T has already been paid £125 for a separate customer service issue, I think this is a fair award for this issue.

### **My final decision**

For the reasons set out above, I uphold Mrs T's complaint. I order Nationwide Building Society to put things right for Mrs T by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 20 October 2025.

Sophie Wilkinson  
**Ombudsman**