

The complaint

Mr M complains that Nationwide Building Society (“Nationwide”) is holding him liable for transactions made from his current account between 2019 and 2021 which he didn’t make or otherwise authorise.

What happened

Mr M opened the account being complained about in December 2016. He says he made a £10 deposit but hasn’t used the account. In July 2024, when looking to add another party to the account, Mr M discovered that the account was overdrawn due to several transactions to an online company between May 2019 and June 2021, and interest being added every month for the overdraft usage.

Mr M complained to us both about the overdraft being taken out and Nationwide holding him responsible for the spending of this facility. I issued a decision earlier this month explaining that this Service doesn’t have the power to consider his complaint about the arrangement of the overdraft facility on his account, due to the time passed since this happened. But I explained we could consider his concerns about the use of the overdraft and that is what this decision relates to.

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.

Where there’s a dispute about what happened, and the evidence is incomplete or contradictory, I’ve reached my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence.

While the use of the overdraft happened more recently than the addition of the facility, so it is something I can consider, this still occurred between 2019 and 2021 – so three years before Mr M first raised concerns. There’s very limited information available about the transactions – and this isn’t something I consider unreasonable given the time that’s passed.

The information that is available indicates that the disputed transactions were card payments. Also, given the similar amounts and the frequency involved, it’s most likely that a continuous payment authority was set up on Mr M’s card. And that is how the overdraft facility was used over time.

Continuous payment authorities are often used to pay for subscription services. To set up a continuous payment authority on a card, the long card number, the expiry date, as well as the CVV are needed. The postal address where the card has been registered may also be required.

Unfortunately, the merchant/company who was paid doesn’t exist anymore. So, it’s not possible to gather any further information from them to confirm what services were provided and to whom in return for the payments.

I've considered Mr M's submissions that he's never used this account, or the associated card, to make payments. But for a third party to have used Mr M's card fraudulently, they would have needed his card and associated security details. Nationwide has shown that the card that was used to make the payments was sent to the address it held for Mr M on its system – it's the same address he's provided our Service.

I should add that it's unusual that a third party intending to use someone's card fraudulently would only set up a continuous payment authority for under £10. In my experience, fraudsters tend to deplete the account balance (including any overdraft facility) as quickly as possible.

Having carefully considered everything, I can't safely conclude that the transactions are unauthorised. On balance, I'm satisfied that it's reasonable for Nationwide not to treat them as fraudulent.

Mr M has raised concerns that he wasn't notified when the account went overdrawn. But Nationwide has said it wrote to him in 2021, 2023, and 2024 about repeated overdraft usage. I also note that in his initial complaint referral email to our Service, Mr M acknowledges receiving multiple text messages from Nationwide in 2020 which he says refer to the overdraft on his account. While I appreciate Mr M says he didn't check his account at these times, this isn't sufficient to say that Nationwide has acted unfairly.

I understand that when Mr M initially disputed the transactions, Nationwide offered to write-off the interest charged for using the overdraft if he cleared the total transaction amount. Mr M rejected the offer at the time. Mr M should contact Nationwide directly to check if it's willing to agree to some sort of settlement.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 October 2025.

Gagandeep Singh
Ombudsman