

## **The complaint**

Mr G is unhappy that Nationwide Building Society didn't prevent a payment being made to a merchant that he asked them to prevent.

## **What happened**

In October 2023, Mr G purchased a service from a merchant on an annual subscription basis. The subscription was scheduled to renew on 28 October 2024, and Mr G set up a recurring card transaction from his Nationwide credit card with the merchant so that the 2024 subscription would be automatically paid.

On 28 October 2024, Mr G called Nationwide and asked them to cancel the recurring card payment and prevent the 2024 subscription payment from being taken by the merchant. However, the following day, 29 October, Mr G noticed that the subscription payment to the merchant had been processed by Nationwide. Mr G wasn't happy about this, so he raised a complaint.

Nationwide responded to Mr G but didn't feel that they'd done anything wrong and explained that Mr G had made his payment cancellation request too late for it to have been effective. However, Nationwide did acknowledge that the agent that Mr G had spoken with on 28 October hadn't applied a block for future payments (i.e. 2025 onwards) that could have been applied, and Nationwide apologised to Mr G for this and paid £50 to him as compensation for any trouble or upset incurred. Mr G wasn't satisfied with Nationwide's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Nationwide had acted unfairly regarding the October 2024 payment as Mr G contended. Mr G remained dissatisfied, so the matter was escalated to an ombudsman for a final 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 won't be upholding this complaint or instructing Nationwide to take any form of action. This is because I'm satisfied that it was unfortunately the case that Mr G asked Nationwide to stop the recurring payment too late for it to be stopped.

In his submissions to this service, Mr G has referenced the direct debit guarantee. But the payment in question was not a direct debit, which is direct transfer between bank accounts. Instead, the payment was a recurring card transaction ("RCT") which Mr G had set up using his Nationwide credit card. This means that the merchant held Mr G's credit card details, rather than his current account sort-code and account number, as would be the case with a direct debit. Indeed, it isn't possible to set up a direct debit from a credit card. The only type of recurring payment that can be set up from a credit card is an RCT. Accordingly, the direct debit guarantee to which Mr G refers is not applicable in this instance.

Because the payment was set up as an RCT it meant that the merchant held Mr G's credit card details and had been given authorisation by Mr G to process ongoing payments. Because of this, if Mr G wanted to cancel the RCT, the onus was on him to have contacted the merchant and withdrawn his ongoing payment authorisation with them directly.

This was explained to Mr G by Nationwide when he spoke with them on 28 October, and Nationwide also explained that while they could put a merchant block on Mr G's account, this wasn't guaranteed to be successful. This is because, ultimately, the merchant was still authorised by Mr G to take payments until Mr G withdrew that authorisation from the merchant directly, and while Nationwide could put a block on the merchant, the block would not be effective if the merchant applied for the payment under a different name to that which Nationwide were expecting.

The key point here is that while Nationwide could try to help Mr G stop the payment, they couldn't reasonably guarantee they would be successful in doing so, because ultimately the authorisation to take payments had been given by Mr G to the merchant directly, meaning that Mr G needed to withdraw that authorisation with the merchant directly.

However, in the case of the October 2024 payment, this is largely a moot point, because any potential help that Nationwide may have been able to provide was dependent upon their receiving a request from Mr G at least one working day before the merchant began the process to take the payment.

Unfortunately, that didn't happen. And while I appreciate that the payment shows on Mr G's credit card statement on 29 October, the transactional process began on 28 October, and was only completed the following day. This meant that when Mr G spoke with Nationwide on 28 October, it was already too late for any reasonable attempt to stop the payment to have been made.

Notably, it wouldn't have been apparent to the Nationwide agent that Mr G spoke with that the payment process had definitely started. But Nationwide's agent did explain that the merchant block they would apply couldn't be guaranteed and that Mr G should contact the merchant directly, and I'm satisfied that this information was correct and that Nationwide therefore acted fairly and reasonably in this regard.

All of which means that I don't feel that Nationwide have acted unfairly towards Mr G as he contends here. Instead, I feel that Mr G unfortunately contacted Nationwide too late for any help they might have been able to provide to be effective, and I'm satisfied that the information that Nationwide gave Mr G about him needing to contact the merchant directly was correct.

I note that in their response to Mr G's complaint, Nationwide did provide £50 compensation to Mr G because their first agent didn't apply a type of payment block that could be effective against future payments, from 2025 onwards. But that block wouldn't have had any impact on the 2024 payment about which Mr G is unhappy, and it remains the case that if Mr G wants to ensure that no future payments are taken by the merchant, he will need to contact the merchant directly. As such, I don't feel that any further action is fairly required from Nationwide in this regard.

I appreciate that this may not be the outcome Mr G was wanting to this complaint, but I hope that he understands, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 March 2026.

Paul Cooper  
**Ombudsman**