

The complaint

Ms O complained because she wanted more compensation than Nationwide Building Society was willing to give her after it provided incorrect information.

What happened

On 31 January 2025, Ms O went to a Nationwide branch. She said that she hadn't made a transaction which had debited her account on 24 January. It was for £48.50, plus a transaction fee of £1.45.

Nationwide refunded Ms O the same day, for both the transaction and the fee.

But Ms O complained.

- She said Nationwide should have prevented the transaction from taking place and should have sent her a fraud alert. The transaction was recorded as taking place at a town in Eire, which wasn't where Ms O lived, and she said all her transactions were local to her;
- She said that the branch adviser had told her the town was in England, whereas it was in Eire;
- She said she was told security alerts aren't sent for transactions under £50. Ms O said she'd had alerts for lower amounts;
- She said the adviser spoke to her in a condescending manner as if her concerns were exaggerated. She said Nationwide had been dismissive and insulting to her intelligence.

Nationwide's complaints team spoke to Ms O. It agreed the town was in Eire not in England, and that there was no specific figure for triggering fraud checks. Nationwide's team apologised. But Ms O said the adviser hadn't taken responsibility or shown a genuine commitment to improving Nationwide's practices.

When complaining about this, Ms O also told Nationwide that in 2021, an insurance company set up an unauthorised direct debit and withdrew funds. Nationwide had refunded her at the time for this. She told Nationwide she wanted:

- strict fraud detection including alerts for unusual spend;
- improved security to prevent any unauthorised direct debits being set up; and
- compensation for stress, inconvenience, and repeated failure to secure her account.

Nationwide sent Ms O its final response to her complaint on 7 May. It apologised for the branch telling Ms O that transactions under £50 weren't monitored, and for the branch saying the town where the disputed transaction happened was in the UK. It paid her £25 compensation for this.

But Nationwide said it hadn't done anything wrong about the disputed £48.50 and £1.45 fee. It said it has a number of detection systems which constantly monitor card activity for fraud. Its rules have to allow for high levels of genuine use, so customers can effectively operate their accounts. These systems are constantly monitored and updated.

It also commented on Ms O's complaint about a direct debit four years earlier, in 2021. It explained that a direct debit is an agreement between a customer and a company. Nationwide wouldn't always be aware a direct debit has been set up until the payment has been debited. It said it would pass on her feedback to Head Office, and said it was sorry Ms O had said she didn't feel her money was safe with Nationwide. It said it constantly monitored accounts, but couldn't provide more information as this was business-sensitive.

Ms O didn't accept this and contacted this service.

Ms O said Nationwide should use technology to stop a company taking money out of her account in the first place. She said Nationwide should check direct debits between a company setting up a direct debit and taking money out of a customer's account. It wasn't enough for Nationwide to correct mistakes and it had to prevent them.

Ms O said Nationwide had left her feeling frustrated, annoyed, helpless, and knowing nothing was going to change. She said she was now checking mini-statements from cash machines to catch unusual transactions, whereas she'd previously just looked casually at her monthly statements.

Nationwide paid Ms O £25 when it sent her its final response. Ms O saw the credit and told Nationwide this certainly wouldn't compensate for Nationwide's unprofessional and condescending conduct. She told Nationwide she wanted £350 compensation. When Nationwide had refused to pay her that, Ms O increased what she wanted to £550.

Our investigator said that a significant amount of Ms O's distress was likely to have been caused by the fraudulent activity, and Nationwide wasn't liable for the actions of a fraudster. The investigator pointed out that Nationwide had refunded Ms O on the same day Ms O had reported it.

The investigator pointed out that although Nationwide has measures in place to prevent fraud, that wouldn't guarantee that every instance of fraud would be prevented. The investigator also explained that asking Nationwide to change its fraud detection protocols or security measures isn't something this service can do. It would be the role of the regulator, the Financial Conduct Authority.

The investigator noted that Ms O had been given incorrect information, and Ms O felt the adviser spoke to her in a condescending way. The investigator considered Nationwide should pay Ms O an additional £50, making £75 in all.

Neither Ms O nor Nationwide agreed with this.

Ms O said total compensation of £75 wasn't sufficient. She said she was being patronised, insulted, condescended and dismissed. The £25 had been paid without any consultation and showed Nationwide hadn't understood the situation. She said organisations only take matters seriously when they have to pay meaningful compensation, so the appropriate compensation would be £550.

Nationwide said it had refunded Ms O on the day she reported the fraud. Nationwide has measures in place to prevent fraud, but this doesn't guarantee that every instance of fraud would be prevented. It said Ms O's distress had been caused by the fraudulent activity, for which Nationwide hadn't been at fault. The distress hadn't been caused by Nationwide incorrectly telling her that payments for less than £50 don't alert. Nationwide didn't see how being told this would have increased the level of distress, as it's relatively inconsequential.

Ms O asked for an ombudsman's decision.

My provisional findings

I issued a provisional decision on this complaint. This was because I'd come to a different conclusion to the investigator. Issuing a provisional decision gave both sides the opportunity to comment on it, by the date set, before I issued a final decision

Before issuing the provisional decision, I considered all the available evidence and arguments to decide what would be fair and reasonable in the circumstances of this complaint.

What this service can and can't consider

In my provisional decision, I set out what this decision does and doesn't cover. Ms O stated that she wanted Nationwide to have stricter fraud detection protocols, and improved security measures. Our investigator was correct when she told Ms O that this isn't something which this service can consider or order. Ms O would need to contact the regulator, the Financial Conduct Authority (FCA) if she wishes to take that further.

I explained that for the same reason, I can't consider whether Nationwide's security systems were or weren't appropriate. I don't have, and wouldn't expect to have, full details of what those security systems, which are business confidential and highly technical, comprise. But I pointed out that while financial organisations monitor and change their systems regularly, according to current fraud trends, it's inevitable that some will slip through. So I can't and don't award any compensation in relation to the adequacy or otherwise of Nationwide's security systems. It isn't something for this service to do.

I explained that the same applies to the direct debit procedures. A direct debit is a consumer's authority to allow an organisation to claim a varying amount of money, on a varying day from their account. It's also the consumer's instruction to their bank or building society to allow the payments to be taken. So the money is claimed from a consumer's account by the originator. The bank isn't directly involved in setting up those payments. Ms O said she wants Nationwide to set up verification before any direct debit is activated. This isn't required by the current rules, and again this would be for the FCA if Ms O wishes to take this further.

So what this decision covers is how much compensation would be fair and reasonable for the distress and inconvenience which Ms O suffered. Her evidence is that she suffered distress and inconvenience because she said the following happened:

- that she was told that the town where the disputed transaction was recorded was in England when in fact it's in Eire; and
- that she was told that alerts aren't sent for transactions under £50, when Ms O said she'd had alerts for smaller amounts; and
- that she was spoken to in a condescending manner as if her concerns were exaggerated.

How much compensation would be fair and reasonable for Nationwide to pay Ms O?

Using financial services, like other services, won't always be totally free of hassle and inconvenience. This service only awards compensation for things that are more serious than the normal nuisances of everyday life. Matters such as a small administrative error or a short delay can often be remedied by an apology, or a small amount of compensation.

We can award compensation for financial losses which occur as a result of a financial organisation's error. But here, Ms O had no financial loss. Nationwide refunded her with the disputed transaction and associated fee on the day she reported it. It's also correct that in cases of a fraudulent transaction, it's the fraudster who is the root cause of distress, not the bank. And here, Nationwide refunded Ms O with the disputed transaction and associated fee on the day she reported it.

I considered what compensation, if any, Nationwide should have paid Ms O.

As the alleged causes of distress took place verbally in a branch, I didn't have any evidence about what happened, or the tone used by either side. I considered, however, what was most likely to have happened, in line with our usual approach.

Looking at the three elements I've set out above, I found that:

- It was irrelevant that the branch cashier reportedly told Ms O that the town where the disputed transaction was recorded was in England when in fact it's in Eire. Ms O knew this was incorrect, but the inaccuracy had no impact on the outcome of her disputed transaction claim. I couldn't see that this should have caused her any distress or inconvenience, and certainly not more than the normal frustrations of everyday life.
- Ms O knew that she'd had alerts for under £50, and she said that the cashier told her that alerts aren't sent for transactions under £50. There would have been some frustration about this, but it wasn't directly related to whether or not Nationwide refunded Ms O for the disputed transaction. Again I couldn't see that this should have caused her distress or inconvenience.
- Ms O's claim that she was spoken to in a condescending manner is impossible to evaluate – because it was verbal in a branch. So there is no phone call recording which I could assess. There is also no written evidence in the form of notes, but that couldn't show tone anyway.

So I found that on two of Ms O's three elements, I didn't consider compensation was appropriate. The third one is impossible to evaluate for certain. If, however, the branch advisor did indicate that she thought Ms O's concerns about the above were minor, that would not be surprising, although no advisor should be condescending or rude to a customer. Giving Ms O the benefit of the lack of evidence, and taking all these factors into account, I found that £25 was a very fair amount of compensation for Nationwide to have paid Ms O. So my provisional decision was that I didn't require Nationwide to pay her any more.

Responses to my provisional decision

Nationwide didn't reply to my provisional decision.

Ms O didn't agree with my provisional decision. She said that:

- It was well known that when reporting a negative incident, it wasn't just the incident which was a source of stress and anxiety, but how it's handled by the organisation to which you report it. She said it was a total cop out that I'd said Nationwide's conduct about what she'd reported wasn't a source of stress and anxiety;
- I'd said that there was no phone call recording about what was said in the branch. Ms O said this meant I hadn't read her notes, because she'd said that Nationwide's

complaint officer after the incident made Ms O think she just wanted the case closed quickly;

- Ms O said she still maintains that organisations don't take things seriously until they pay large compensation. She said it doesn't need the FCA to put changes into place, because making Nationwide pay large compensation to customers like her would solve this;
- She said that there was a time gap between a company setting up a direct debit and Nationwide paying it. And in that time, she says Nationwide should text all customers asking if they know the company and agree to the direct debit being paid;
- She is thoroughly convinced this case is being dealt with with bias and prejudice. She said the compensation she wants isn't being looked at based on Nationwide's lax attitude to the double fraud she reported. She said Nationwide, the investigator, I, and everyone else involved in the case are thinking she's only after money;
- She said the case should be looked at properly before the final decision. She said Nationwide doesn't need the FCA to put changes into place, and paying large compensation would solve it.

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.

In particular, I've looked carefully at all the points Ms O has made in response to the provisional decision. Looking at each of her points:

- How a claim is handled does of course matter. But here, Nationwide responded to Ms O's fraud claim by giving her a full refund on the day she reported it. So I can't fault the way in which Nationwide dealt with the refund. Ms O's complaint relates to her allegation that the cashier said the refunded transaction had taken place in England when that location is in Eire. I consider that any such exchange shouldn't have caused Ms O distress or inconvenience, and certainly not more than the normal frustrations of everyday life.
- The provisional decision was accurate when it said there's no phone call recording about what was said verbally in the branch. A conversation in a branch between a customer and an adviser isn't recorded. So it isn't possible to have independent recorded evidence of what was said between Ms O and the cashier, and the tone of both parties. Ms O's later phone conversation with a Nationwide customer service adviser can't prove what was or wasn't said in the original branch conversation.
- This service doesn't have the authority to order financial organisations to change their procedures. As I've explained, this is the role of the regulator, the FCA. I don't agree with Ms O that the FCA can be bypassed by ordering Nationwide to pay Ms O large amounts of compensation.
- Similarly, it's not for this service to change the way in which direct debits work, nor to order Nationwide to text every customer setting up any direct debit.
- I'm sorry to hear that Ms O thinks that everyone involved with her case is looking at it with bias and prejudice – but I don't agree with her. I've set out my reasons for not upholding her complaint above. These aren't based on bias and prejudice but on

what I consider would be fair and reasonable in all the circumstances of this complaint.

- As I've explained above, I've considered all the available evidence. I don't agree with Ms O that paying large compensation is the right solution to her complaint. For the reasons I've set out above, I don't uphold Ms O's complaint and I don't require Nationwide to do anything more.

My final decision

My final decision is that I do not uphold Ms O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 20 November 2025.

Belinda Knight
Ombudsman