

The complaint

Ms R complains that Nationwide Building Society has declined to refund disputed transactions that were made from her account.

What happened

Between 15 April and 8 May 2025, several transactions totalling £3,153.16 were made from Ms R's account that she says she didn't authorise. The transactions were made overseas, in a location that Ms R herself was visiting at the time. But Ms R says her card was not lost or out of her possession at any time.

When Ms R discovered the disputed transactions, she contacted Nationwide to report them as fraudulent and asked it to refund the money. But the society didn't believe it was responsible for her loss. Unhappy with this, Ms R raised a complaint. In response, Nationwide said:

- It cannot agree it did anything wrong with Ms R's fraud claim.
- It cannot treat the transactions as fraudulent when there is no explanation of how someone had access to Ms R's card and PIN.

Ms R then referred her complaint to this service where it was considered by one of our investigators. From the evidence, he was satisfied the disputed transactions had been made using Ms R's genuine card as well as her Personal Identification Number (PIN). He said as there was no point of compromise for these, he felt it was fair for Nationwide to hold Ms R liable for the transactions.

Ms R didn't agree with our investigator. She provided many comments in response to his findings, but in summary, she's strongly of the belief that her card was cloned and that the transactions couldn't possibly have been cash withdrawals in an Automated Teller Machine (ATM) because the location of the withdrawals was a shop that doesn't own an ATM.

As no agreement could be reached, the complaint has been passed to me to decide.

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 realise this will come as a huge disappointment to Ms R, but I've reached the same conclusions as our investigator, for broadly the same reasons.

Firstly, it's important to explain that in reaching this decision, I've read and taken into account all of the information provided by both parties. I say this as I'm aware I've summarised Ms R's complaint in far less detail than she has. If I've not reflected something that's been said it's not because I didn't see it, it's because I've focussed on the details I consider to be most relevant to the outcome of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and

reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

The regulations relevant to this case are the Payment Service Regulations 2017 (PSR's). These say that generally speaking, a payment service provider (in this case Nationwide) is entitled to hold a customer liable for authorised transactions. But that Nationwide is liable for unauthorised ones. And I've taken that into account when deciding what is fair and reasonable in this case.

From the evidence I've seen from Nationwide's electronic records, I'm satisfied that all disputed transactions were carried out using Ms R's genuine card and PIN. I say this because I'm satisfied that the chip on Ms R's card was read when each transaction was processed, and the corresponding PIN was entered. Ms R has said her card has always been in her possession, and no one else knows her PIN. Ms R clearly believes her card was 'cloned' and has provided news articles supporting her reasons for this belief. But it's not generally thought possible to copy the chip on the card, and our service hasn't come across any cases where we felt this was a likely explanation of what happened. I haven't seen any persuasive evidence this is what happened in this case. So, I'm satisfied that all transactions were made using Ms R's genuine card and PIN.

Ms R has provided us a lot of detail as to why she believes something questionable happened to her card, and the way the disputed transactions were presented on her statement, including the location. But none of that explains how her genuine card was used to process the transactions.

Ms R has said that no one had access to her card at any time. She's further explained that the only person in the apartment with her was her daughter, who was never out alone to be able to spend anything had she taken the card without Ms R realising. But even if she had, Ms R didn't notice any new purchases or large amounts of cash in her daughter's possession. So, she doesn't believe her daughter used her card or made any of the disputed transactions.

I'm always wary that just because there's no obvious point of compromise, that would mean the cardholder must have made the payments in dispute. However, based on the evidence here, and in the absence of any other explanation as to how someone would've been able to take and replace Ms R's card without her knowledge, as well as knowing the correct PIN, I find it's fair for Nationwide to treat these transactions as authorised by Ms R. Therefore, I don't require it to do anything further here.

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 Ms R to accept or reject my decision before 10 April 2026.

Lorna Wall
Ombudsman