

The complaint

Mr T has complained Nationwide Building Society won't refund him for a transaction made using Apple Pay he didn't authorise.

What happened

In August 2025 Mr T was overseas with his wife. He went to buy a couple of drinks from a street vendor. He was introduced to the vendor's associate who was friendly and helpful and distracting Mr T. Mr T was trying to pay for this transaction – whose value was about the equivalent of £7 – using Apple Pay linked to the card on another account (I'll refer to this bank as M).

Mr T was told this transaction had failed. The vendor's associate got hold of Mr T's phone to try and ensure this transaction was successful. By the time Mr T got his phone back, the vendor was logging it. He immediately realised there were two very large, attempted transactions on his account with M which had been declined (most likely due to lack of funds). Mr T then realised his Nationwide account had been debited for the equivalent of £1,425.48. Mr T reported what had happened to local police and made a fraudulent claim with Nationwide.

Nationwide wouldn't refund Mr T. They'd see whether a chargeback was feasible but Mr T – understandably as he was buying from a street vendor – had no receipt for the goods purchased so this was unsuccessful. Nationwide didn't believe they were at fault, so wouldn't refund Mr T.

Mr T brought his complaint to the ombudsman service.

Our investigator felt Nationwide had sufficient evidence to show Mr T had authorised this transaction.

Disappointed with this outcome, Mr T stressed he didn't consent to this transaction and provided a number of older ombudsman decisions which he believed supported his arguments.

He asked an ombudsman to consider his complaint.

I completed a provisional decision on 13 January 2026. I believed there was enough to show Mr T had not authorised this disputed transaction and explained why I would be asking Nationwide to refund Mr T.

Mr T accepted this outcome. Nationwide asked for further time to review this further. In the interim they asked further questions about what had happened and had led to Mr T losing control of his mobile device. Further testimony given to our service by Mr T – which had already been shared with Nationwide – was given to them.

More than four weeks have passed since the closing date for the provisional decision. No further clarity has been received from Nationwide. I now have all I need to complete my 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've reached the same conclusion as I did in my provisional decision. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mr T's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

Having reviewed the evidence, I don't believe there is sufficient to show that Mr T authorised this disputed transaction. I say this because:

- Authorisation under the PSRs is made up of two aspects: authentication and consent. Mr T has argued that he couldn't consent as he wasn't aware of the value of the transaction. It's certainly true that the PSRs do not require banks to refund transactions where perhaps the amount charged or the person to be paid has been disguised in some way. But I'm not convinced this is what happened here.
- Nationwide audit information matches Mr T's testimony. There's no debate that the disputed transaction was made using Apple Pay. I believe this happened when the vendor, or his associate – whichever of them did this isn't factually important – took Mr T's phone. I've seen evidence from M which shows they declined two attempted Apple Pay transactions. Mr T had been trying to use Apple Pay for his account with M to pay for his two drinks but for some reason which I believe is down to the vendor this didn't prove successful.
- What I believe then happened is that a third party used Mr T's phone to access Apple Pay for his Nationwide account. A payment for £1,425.48 proved successful. A further transaction was attempted – mirroring the second attempted transaction for Mr T's account with M – but this was declined. As I believe Mr T wasn't in control of his device, I don't believe he can be said to have authorised the transaction.
- I have considered whether Mr T authorised a third party to make these transactions by allowing them to take control of his payment instrument. Whilst I agree this third party had Mr T's mobile device, I don't believe he was authorising that individual to use his payment instrument, and would specifically have withdrawn any apparent authority if the amount were known.

- There is evidence from local police about this fraud. This type of fraud isn't unknown.

Based on what I've seen, I will be asking Nationwide to refund Mr T for the disputed transaction. Nationwide will also need to pay 8% simple interest to the funds that were taken – which totalled £1,468.10 after foreign exchange transactions were applied.

As no further response was received from Nationwide, I confirmed that I would be completing my final decision within a week. I am satisfied they have had more than enough time to raise any further queries or accept the provisional decision.

My final decision

For the reasons given, my final decision is to instruct Nationwide Building Society to:

- Refund Mr T for the disputed transaction; and
- Add 8% simple interest to this amount from 25 August 2025 until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 23 March 2026.

Sandra Quinn
Ombudsman