

The complaint

Miss B complains Nationwide Building Society declined to refund transactions which she says she didn't make.

What happened

Miss B had an account with Nationwide.

Between 9 June and 16 June 2025, 29 payments, totalling £650, were made via her Nationwide card loaded to her digital wallet.

Miss B reported these transactions to Nationwide on 16 June 2025. Miss B advised that she lost her phone on 9 June 2025 and that's how the transactions were carried out without her knowledge. Miss B explained the lost phone was counterfeit and so she says the security biometrics didn't work correctly, meaning anyone could access the device and her digital wallet using their fingerprint.

Nationwide declined to refund the transactions as they were made using biometric authorisation that required access to Miss B's phone and fingerprint or facial ID stored on the phone. However, they accepted they'd given Miss B some incorrect information and paid her £35 in compensation.

Miss B complained about Nationwide's decision. She provided an email she says is between her and the phone manufacturer, in which the phone manufacturer says the biometric feature was not secure. She also told Nationwide that she has a medical condition that impacts her memory. But Nationwide still didn't uphold her complaint stating they acted fairly in declining to refund her.

Miss B referred her complaint to our service. One of our investigators reviewed Miss B's complaint but thought Nationwide acted fairly when declining to refund her for the transactions. They said this because:

- Miss B's digital wallet token was used to make multiple genuine transactions during the same period as the disputed transactions.
- Technical evidence showed Miss B's online banking was being accessed throughout the time of the disputed transactions, but Miss B didn't report the matter to Nationwide until 16 June 2025, despite knowing she lost the phone on 9 June.

Nationwide didn't provide a response to our Investigator's view.

However, Miss B disagreed. Miss B said she didn't complete the other transactions in the same period but "wasn't bothered about the ones that are only little amounts".

As Miss B didn't agree it's 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.

I know this will disappoint Miss B, but having reviewed the evidence, I'm not asking Nationwide to do anything further and I'll explain why.

I acknowledge that in response to our Investigator's view Miss B said she didn't know about or make the other transactions that happened on the account at the time of the disputed transactions. However, having reviewed the evidence available, I'm satisfied that Miss B didn't dispute these additional transactions with Nationwide. Therefore, if Miss B wants to dispute additional transactions, aside from the £650, she will need to go back to Nationwide. I'll only be making a decision on whether Nationwide acted fairly in response to the originally disputed transactions between 9 and 16 June 2025.

Generally speaking, a bank is entitled to hold a consumer liable for authorised transactions, and the bank is liable for unauthorised transactions. Those rules are set out in the Payment Service Regulations 2017.

I've seen evidence to show the disputed transactions were completed using a digitized token on Miss B's phone which Miss B had previously used for genuine transactions. But, this on its own is not enough to say Miss B authorised the payments, I also need to be satisfied Miss B consented to the payments.

I've thought about whether Miss B consented to the payments, and I'm satisfied she likely did. I say this because:

- Miss B says she lost her phone on 9 June and realised within 30 minutes of the loss. She says she didn't get it back until 24 June. Miss B didn't advise Nationwide of the lost phone until 16 June. I find this surprising because she knew the phone wasn't password protected. Miss B says that her phone was compromised and the biometric security wasn't operating properly but I've not seen evidence to support that the phone wasn't operating as it should do.
- There were other transactions on Miss B's account via the same digital wallet token between 9 and 16 June, aside from the disputed transactions. Miss B told Nationwide these payments were genuine on 16, 17 and 27 June. I appreciate Miss B now argues that she didn't make these payments but didn't tell Nationwide as they were small and insignificant. But, I find what Miss B told Nationwide nearer the time as more persuasive. I therefore think it's most likely Miss B had access to her device on several occasions around the time of the disputed payments to carry out the genuine payments. I can't see how a fraudster can have taken her phone and replaced it without her knowledge on several occasions to allow the disputed transactions to be carried out.
- Typical fraudster behaviour is to drain an account quickly rather than over seven days and leave the account in credit. But, Miss B's testimony is that the phone was returned to her via a family member. I find it unlikely that a third-party fraudster would then return the phone to where they found it, having not spent all the money in the account.
- Miss B says she was aware her phone could be accessed by anyone. The evidence shows when Miss B called Nationwide on 16 June, they advised that they needed to cancel the card and confirmed there were two digital tokens live (the lost phone and the new phone). Miss B declined the offer to cancel the card, potentially allowing the use of the digital wallet on the lost phone to continue. I find it surprising that Miss B would want to allow a token to remain active on an old phone which she says she'd lost and was already being misused.

I acknowledge Miss B said she didn't make the disputed payments. I've considered Miss B's medical condition impacting her memory and accept it's a possibility that Miss B may have forgotten making the payments. But, this still wouldn't make Nationwide liable. Therefore, I'm

persuaded by the evidence I've seen that she likely did authorise the transactions for the reasons outlined above.

I want to acknowledge the stress Miss B told us the payments have caused her and do not underestimate the impact of this situation on her wellbeing. However, I'm satisfied it's fair for Nationwide to conclude Miss B authorised the disputed payments. It follows, I won't be asking them to do anything further.

My final decision

My final decision is I don't uphold Miss B's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 13 April 2026.

Cheryl Dior
Ombudsman