

complaint

Mr R complains that Nationwide Building Society would not refund payments he says he did not make.

background

Mr R reported pending card payments to an online gambling company as fraudulent on 16 May 2017. Nationwide raised a visa dispute. This was defended by the online company. Nationwide did not accept that this was fraud and it re-debited the payments, totalling £710, to his account.

The investigator recommended that the complaint be upheld. He said that:

- Mr R said he lived with his wife and teenage daughter and that his main account is not with Nationwide. He has gambled once with a different business in April 2017 paying £20 to bet on a high profile event. The payments on this account and on his sole and joint account statements with his main bank (which he provided) do not show any gambling pattern.
- Mr R has said that he had no dealings with this online company and that when he contacted it for more information, as Nationwide suggested, was told it could not provide this as he was not the betting account holder.
- Nationwide had not provided information about the way the betting account was set up or the computer IP address for the payments. This is information Mr R has shown the company would hold as set out in its security terms and conditions.
- He did not think it was enough for Nationwide to say that the payments were valid because the correct card details and the three digit security code had been used to make them. Or that because there was no clear way a fraudster could receive any winnings they couldn't be fraudulent.
- Nationwide should refund the payments to Mr R, pay him simple interest at eight percent on the money for the times when it had not been temporarily refunded and refund any related overdraft fees and charges.

Nationwide did not agree. It said that the gambling company had quoted Mr R's name, card number and expiry date in relation to the payments. The security number was entered. Nationwide said it must believe the information the company has provided it with. It cannot give the IP address as the payments were not 'verified by visa'. Mr R cleared the debt on his account on 14 September 2017 and Nationwide refunded interest and charges of £110.14. The account is now overdrawn by £2.75. It could see nothing to suggest he was not responsible for the payments and it believes it highly unlikely a fraudster would have carried out the payments as any winnings would only have gone to Mr R.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I won't be able to say exactly what happened here. I'll need to consider what I think is most likely taking into account the evidence that is available. I appreciate Mr R has indicated he wants to speak to me about the complaint but I am satisfied I can fairly deal with it based on what I've seen already.

I can't see that the visa dispute process has provided anything that was not already known. And that process is not particularly relevant in cases of fraud. That information provided about the card use must already have been visible from Nationwide's payment authorisation logs. I've seen nothing to confirm that the gambling company had any other correct details about Mr R. Or that Nationwide requested the information and evidence, for example about his age and identity verification when the online account was opened. The IP address the investigator was referring to related to the one captured by the company.

Mr R wrote to that company saying he was not the account holder. So it referred him back to Nationwide as the best way of addressing the issue. He has not been able to collect any more information. But it was open to Nationwide to do so. I don't think it has undertaken sufficient investigation for it fairly to decide Mr R is responsible. The argument that only he could access winnings is not a definitive one as a fraudster could be a gambler. That would fairly need to be balanced against other information about the way the gambling account was created and used.

Nationwide has not done enough to satisfy me that, on balance, Mr R should be responsible for the payments. The investigator has set out the way in which the complaint should be resolved. I agree with what he's said. I don't think there's any significant duplication in Nationwide refunding charges and also paying the eight percent interest here - especially taking into account the apparent level of those charges in relation to the amount and period of borrowing.

my final decision

My decision is that I uphold this complaint and I require Nationwide to:

- 1) Refund payments of £710.
- 2) Refund all interest and charges relating to these payments.
- 3) Pay Mr R simple interest at eight percent per annum from the date of these payments to the date of settlement, adjusted for the periods when the payments had been temporarily refunded to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before **30 April 2018**.

Michael Crewe
ombudsman