

complaint

Mr J complains that Nationwide Building Society wrongly debited his account as a result of some duplicated ATM withdrawals.

background

On six dates between May 2012 and May 2013, Mr J withdrew cash from automated teller machines (“ATMs”) in another country. He says that in 2016 he noticed that these withdrawals had been duplicated, meaning that his balance had been reduced in respect of phantom withdrawals that hadn’t actually happened. He had also been charged fees for these withdrawals. His account was with Nationwide, so he complained. He said he hadn’t made these withdrawals, and they had exceeded his daily cash withdrawal limit so they shouldn’t have been authorised anyway.

Nationwide said that Mr J had left it too long to raise this issue. Nationwide can only dispute a transaction with a foreign ATM owner within 13 months of the transaction – so it wouldn’t be able to get the money back now. And most of the data about the transactions had already been deleted, so it couldn’t investigate the matter properly. It couldn’t even tell which bank owns the automated teller machines. If Mr J had checked his statements nearer the time, it could have done more to help him, but he’d left it too late. Mr J complained to our service.

Our investigator upheld this complaint. He said that as the withdrawals exceeded the cash limit, Nationwide should have stopped them. And he thought that Nationwide could have done more to investigate this complaint.

Nationwide tried to get more data from a third party – the card scheme provider – but it only kept records for two years, so they had been deleted. So Nationwide said it had investigated as much as it could. And it explained that it wasn’t its fault that the cash limit hadn’t stopped the duplicate withdrawals. It said the duplicate withdrawals were the result of an error in the foreign bank’s system, not its own. So this complaint has been passed to me for an ombudsman’s decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Although some records have been deleted and are no longer available, I think there is still enough information for me to decide that the duplicate transactions were not carried out by Mr J but were a banking error.

Nationwide wrote in its final response letter to Mr J:

”ATM transactions are authorised and policed through our authorisation system. However, as these duplicated transactions appear to be a problem with the foreign ATM and not a problem with Nationwide’s system, the duplicated transactions would have been created in the foreign bank’s clearing file and therefore would not have been checked against the daily limit.”

So Mr J couldn’t have actually withdrawn that much cash himself. If he had tried to do so, he would have exceeded the daily limit, and Nationwide’s own system would not have allowed that. So the duplicate withdrawals must have been created in the foreign bank’s system

(without any cash being dispensed), where Nationwide couldn't check them against the daily limit.

That isn't Nationwide's fault. But it does mean that money has been debited from Mr J's account even though he never received the cash. Or to put it another way, Nationwide debited his account balance without being instructed to by the account holder. And Nationwide is liable for that – even though the problem is the result of what a third party did.

I have still considered whether it would be unfair to require Nationwide to reimburse Mr J, given that it is now too late for Nationwide to recover the money from the ATM owner. It is after all the responsibility of account holders to manage their own accounts, and if Mr J had noticed this at the time then Nationwide would not have been out of pocket.

Mr J didn't notice the duplicate withdrawals at the time because his account was still in credit afterwards, and these were not large amounts of money compared with his balance. They came to light when the tax authorities of the country he was living in at the time raised a query and he needed to check his account statements for that period to answer it.

Having looked at Mr J's statements, I can see that there was nothing unusual about these withdrawals, apart from the fact that they were duplicated and that in all cases but one the totals exceeded the daily cash limit. So I can see how he might have overlooked them at the time. And he has lost this money as a result of a banking error, not because of his own mistake. So I don't think it's unreasonable that he should be refunded. But I think it would be fair not to order Nationwide to pay interest on the refunds, because to do so would be to reward Mr J for not discovering the problem sooner.

my final decision

So my decision is that I uphold this complaint. I order Nationwide Building Society to refund to Mr J all of the duplicated withdrawals and the associated fees.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 January 2017.

Richard Wood
ombudsman