Financial Ombudsman Service

complaint

Mr S complains because Nationwide Building Society refuses to refund money that went to the wrong account.

background

I set out the background to Mr S's complaint in my provisional decision. In it I said I didn't think it was fair and reasonable to ask Nationwide to take any further action. I said this because the money had gone to the wrong account because of Mr S's mistake. And because Nationwide had already taken reasonable steps to help him get his money back.

I asked Mr S and Nationwide if they had anything they'd like to say in response to my provisional decision.

Nationwide said it accepted it. Mr S said he didn't. In summary he said he'd made the initial mistake by transposing the numbers in the account. But that Nationwide had played a part too. He thought it had breached the direct debit guarantee by sending the money as he'd not authorised any payments. Further he said it was reasonable of him to expect Nationwide to check the account details he provided. He commented that once he'd told Nationwide about the mistake it hadn't done enough to help him.

my findings

I thank both Mr S and Nationwide for their responses to my provisional decision. I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And I've decided not to uphold Mr S's complaint.
I explain below why I think this is a fair and reasonable conclusion.

the building society isn't to blame for the loss of the money

Mr S made a very human mistake, he transposed the account numbers, this is easily done and many of us have made the same mistake. Mr S then asked Nationwide to make the payment to the wrong account. I know he doesn't see it that way. But I think Nationwide only followed his instructions. I don't agree that Nationwide did anything wrong here or acted without Mr S's authority.

Mr S expected Nationwide to check the details of the account to make sure it was his. I can see where he's coming from he wasn't to know what processes Nationwide used. That said, I think Nationwide did make it clear that it was for him alone to provide and check the account details. I've not seen anything that says Nationwide explicitly or implicitly took on the responsibility to do this. In other words I don't agree that the wording of the account terms and conditions placed an obligation to check on Nationwide which is what Mr S says.

For all of these reasons I don't think it's fair and reasonable to ask Nationwide to reimburse Mr S for the money he's lost.

should Nationwide do more to help Mr S?

When Mr S found out that he wasn't receiving the payments, he naturally expected Nationwide to help him. And it did. It found out where the money had gone. It asked the recipient to pay Mr S back. And it told Mr S why it couldn't do more whilst telling him what further steps he could take. I realise that to take the action Nationwide suggests is going to cost Mr S money. But I think Nationwide has gone as far as I can reasonably expect it to go even taking into account the code of practice about payments made in error that Mr S mentions.

Further, I don't think it should reasonably have to take on the task of administering a repayment plan between Mr S and the recipient. It's not set up for this and clearly it thinks it doesn't have the capability to do it.

It follows I don't think it's correct to ask it to take any further action.

my final decision

My final decision is that I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 February 2016.

Joyce Gordon
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