

## **Complaint**

Mr M disputes a number of transactions on his Nationwide Building Society account, which he says he neither made nor authorised.

## **Background**

At the end of February 2018 there were a number of card transactions made on Mr M's Nationwide account. They included a transfer made at a cash machine, a £200 cash machine withdrawal and eight payments to a betting store. On the same day there was also an undisputed cash machine withdrawal and some declined transactions.

Mr M says he wasn't responsible for the transfer, the cash machine withdrawal or the payments to the betting store. He said he thought his card must have been copied (or "cloned"). Nationwide didn't accept that, however. It said that its records showed the genuine card had been used for all the transactions (including those that had been declined) and the correct PIN used. In the absence of any explanation of how someone could have acquired Mr M's card and PIN, it thought it most likely that he had made the payments and withdrawals.

Mr M referred the matter to this service and one of our investigators considered it. She was broadly in agreement with Nationwide, however. She accepted that the genuine card and correct PIN had been used and that it was more likely than not that Mr M was responsible for the disputed transactions. Mr M didn't accept the investigator's findings, however, and asked that they be reviewed by an ombudsman – as the final stage in our process.

## **My findings**

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, however, I've reached broadly the same conclusions as the investigator did, and for similar reasons.

Mr M initially suggested that his card must have been cloned. However, Nationwide's records indicate that each time the card was used, the chip embedded in it was read. Whilst it's relatively simple to copy information from a magnetic stripe on a card and to reproduce it on a stripe on a different card, replicating the chip in a card is a very different matter. Since the chip was read on every occasion the card was used in this case, I can safely rule out the possibility that a cloned card was used.

I'm satisfied too that the correct PIN was used with the card on each occasion a disputed transaction was made. Mr M has told us that only he knew the PIN and that he had his card at all times. From what Mr M has told us about his movements on the day in question, I think it unlikely that anyone else was able to take his card, use it and then return it to him without him noticing. Further, it's not clear how anyone else could have obtained his PIN. It's unlikely anyone could have guessed it correctly and it's not kept in unencrypted form on the card itself.

I would add that the first transaction that Mr M is disputing was a transfer from his Nationwide account to an account he holds at a different bank. It's difficult to understand why a fraudster in possession of Mr M's card and PIN would transfer money across Mr M's accounts in that way. They'd run the risk of detection and gain nothing. The same could be said of gambling transactions, since any winnings would be returned to the card account. I do accept of course that people don't necessarily gamble with a view to profiting, but I also

note that the card was used shortly before the gambling transactions to make a cash withdrawal – indicating that, if a fraudster was involved, their motive was financial gain.

I note as well that Mr M hasn't been consistent about which transactions he's disputing. However, since I'm satisfied that he was responsible for *all* the transactions at the relevant time – disputed and undisputed, accepted and declined – I don't need to comment any further on that.

### **My final decision**

My final decision is that Nationwide Building Society doesn't need to do anything further to resolve Mr M's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 October 2019.

Michael Ingram  
**ombudsman**