

## **complaint**

Mr I complains that Nationwide Building Society won't refund transactions he says he didn't make from his account.

## **background**

Mr I disputes a total of £12,918 of payments made to an online gambling company from his bank account. He says that he never registered with this company. The payments started on 13 and 14 March 2018 with his debit card. They then resumed on 22 March 2018 with a replacement debit card as Nationwide recorded that the old one was damaged. Mr I reported the fraud on 26 March 2018. During the period until then there were a number of transactions which he didn't dispute including transfers between his Nationwide savings account and current account.

Nationwide said it wouldn't refund the payments. It said that the transactions were made using two different cards and were consistent with other payments from the account to different gambling companies. Mr I had paid funds into the account during the period and transferred money from his savings account. This was used in part to make these payments. He was an active user of mobile banking and didn't report very large sums being paid from his account. The IP address he used to log in to mobile banking corresponded closely to that used for some of the payments. It told Mr I that it would no longer provide an account for him.

Our adjudicator didn't recommend that the complaint be upheld. He said that:

- He'd provided Mr I with a detailed schedule showing the credits into his account and the disputed payments that were made.
- Mr I had transferred substantial winnings of £20,000 from a different gambling company from his current account to his ISA savings account on 9 March 2018.
- The majority of this money was then transferred back to his current account in amounts of up to £5,500 at a time on 13 and 14 March 2018. And together with other cheques he paid in helped fund a number of payments from his account.
- Those payments made included the ones he disputed to the gambling company. But there were also other payments including a transfer of £1,500 to a third party.
- Mr I hadn't disputed any of the other payments – or said that any of the transfers from his ISA weren't made by him.
- Nationwide had written to Mr I on 22 March 2018 saying that his new card had been blocked following its use for what it considered 'unusual' payments. It noted that Mr I called up to unblock the card.
- The payments he disputed were made with his genuine card details. And had there been any winnings these would likely have been paid back to his current account – as had happened with other gambling companies.
- Mr I had accessed his account online many times between the period 12 and 26 March 2018 as shown in the system logs provided by Nationwide. He thought it very unlikely that Mr I wouldn't have become aware of the payments.
- Mr I had contacted Nationwide previously saying that he didn't think that the security questions it asked when he called were sufficient. But the questions had changed for the different calls.
- Nationwide was entitled to close the account under the terms and conditions.

Mr I didn't agree and wanted his complaint to be reviewed. He said that he didn't think his circumstances had been considered sensitively. He had said before that his mobile phone

was 'hacked' in 2017 and 2018 and his personal information taken. He didn't have any more information to provide but wanted to know if he could take his case to court.

### **my findings**

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

This service provides informal dispute resolution. If Mr I doesn't accept my decision he remains free to pursue this matter in court subject to any relevant time limits.

I need to take account of the Payment Services Regulations 2017. And to think about whether Mr I authorised the payments from his account. That's more than the payments being authenticated but would require him to consent to them. If he didn't authorise them then generally Nationwide wouldn't be able to hold him responsible for them.

So I'll be considering how these payments were made and whether I think that Mr I consented to them or as he claims a third party made them.

I'm satisfied from the evidence provided by Nationwide that these payments were authenticated. That means that the gambling company would have had the correct information for both of the cards and where requested the 'CVV' security number. As the adjudicator has already set out the other payments and transfers at this time made from Mr I's account weren't disputed by him as part of this fraud claim. In particular the online banking logs from Nationwide confirm the transfers between his accounts and also as I'll come to the number of times when his account was viewed.

The issue is whether he consented to the payments. I need to think about what is most likely. Mr I says his mobile phone was hacked but he's not provided evidence to support this and what actions he took as a result. And I take into account that to make these payments a fraudster would have needed both his old and new card details. I've listened to the calls between Mr I and Nationwide and like the adjudicator can hear that each time Nationwide asked him for different security information about his account. In one call where he seemed unsure when giving some information Nationwide asked further questions and decided not to give his savings balance referring him to a branch. I don't have any evidence to suggest that Nationwide didn't follow its normal processes and that any failure to do so was the way in which his personal information was compromised.

To find that the disputed payments were not made by Mr I then I'd need to consider all of the following most likely:

- A fraudster was able to get sufficient personal details about Mr I so that an account could be set up with an online gambling company.
- That fraudster seemed to be able to anticipate exactly when there would be funds from say the ISA in his current account and later when other cheques paid in would have cleared when making payments.
- That person had no desire to take money only to gamble as there was no way evident or attempt I've seen to withdraw any winnings.
- It was a coincidence that these disputed payments were of the same pattern and nature as genuine ones made by Mr I. And for example that the fraudster was making similar payments to gamble on the same dates Mr I was.
- Mr I chose to transfer money out of his ISA to his current account shortly after depositing it for no specific reason and which in effect provided funds for these

disputed gambling payments. And he didn't notice the large transactions alongside his own during this period despite the regular access recorded to his account online.

- The fraudster somehow used an IP address at one time that closely corresponded to one Mr I used to access his account.

I'm afraid that these aren't all findings I can make as most likely based on the available evidence. So my conclusion is that Mr I consented to these payments and they were authorised. As a result I don't have a basis to require Nationwide to do anything further.

### **my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 2 January 2020.

Michael Crewe  
**ombudsman**