

complaint

Mr F complains that Nationwide Building Society unfairly re-debited his account with a fraudulent transaction, taking him overdrawn and causing him financial difficulty.

background

Mr F had a current account with Nationwide. He noticed three card transactions on his account, to an online gambling site. Mr F reported these transactions to Nationwide as unauthorised, and Nationwide refunded his account.

Some months later, Nationwide re-debited one of the transactions. Mr F says the debit caused his account to go into unplanned overdraft, creating account charges and putting him into financial difficulty. Mr F says this has affected his credit file and so he cannot use his Nationwide account but is unable to open a new account with anyone else. He considers that the situation has also affected his mental health.

Nationwide said it had re-debited the transaction because the merchant had provided information to show that this transaction was valid. It did not accept that it had been at fault, and so things were not settled between Mr F and Nationwide.

Mr F brought his complaint to this service, where an adjudicator investigated it. During the course of the adjudicator's investigation, Nationwide agreed to refund the disputed transaction – together with the charges and interest it had generated on Mr F's account. It also agreed to adjust the credit reference information it had registered for Mr F's account.

The adjudicator felt that the circumstances of this case were such that Nationwide should also pay £200 to Mr F in respect of trouble and upset caused to him. Nationwide was not willing to do that and said, in summary:

- It was unaware of Mr F's mental health problems.
- It gave Mr F the benefit of the doubt on these transactions, and does not feel it need do more.
- Once Mr F's credit file is amended, he should be able to get an account elsewhere.
- Part of the reason things have gone on for so long is that Mr F delayed progressing his complaint with the ombudsman service.

Mr F said he would have been willing to settle at the level of compensation recommended by the adjudicator if Nationwide had been willing to pay that, but now felt that a figure of £500 would be fairer.

my findings

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

Nationwide has said that, while it had evidence to show that the re-debited transaction was valid, that evidence is no longer available and so it has agreed to refund it. It appears that Nationwide was unsuccessful in charging back one of these transactions, which were all for the same amount and paid to the same merchant. But that would not – in itself – mean that Mr F was liable under the relevant payment regulations. That said, Nationwide has agreed to refund the disputed transaction and the charges and interest that it generated on the account. It will also adjust the credit information to reflect that.

I have considered what Nationwide has said about why it will not offer any compensation. Given his circumstances and health, I do not consider that Mr F has unreasonably delayed progressing his complaint. I also consider that Nationwide's actions in re-debiting the account in that way added unnecessarily to Mr F's problems, and find that it is fair he should receive some compensation for that.

I have also thought about Mr F's view that he should receive compensation of £500, rather than the £200 that the adjudicator has recommended. I appreciate that things have not been easy for him in recent years, but I am not persuaded that Nationwide's contribution to these difficulties warrants a payment of £500. Overall, I find that the adjudicator's recommendation of £200 represents a fair figure.

I know that Mr F had hoped Nationwide might let him to use his account again, having apparently been a Nationwide member since he was 16. But Nationwide is not willing to agree to that and I do not feel that I can, reasonably, direct that it must keep the account open for Mr F.

my final decision

My final decision is that I uphold this complaint in part and I direct Nationwide Building Society to:

- refund the disputed transaction of £101.84; and
- refund all the charges and interest that resulted from this transaction debiting the account; and
- amend Mr F's credit file entries associated with the debiting of the amount; and
- pay Mr F £200.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr F to accept or reject my decision before 15 July 2015

Jane Hingston
ombudsman.