

The complaint

Mr C complains that Nationwide Building Society hasn't refunded him after he fell victim to a scam.

What happened

The specifics of this complaint are well known to both parties, so I've summarised the key details here.

Mr C wanted to book a hotel room. He used what he believed to be the hotel's genuine website. But it appears he found himself on a site that had been manipulated by fraudsters. Mr C didn't know this at the time and proceeded with his booking, using his debit card to make two payments of £298 each.

Upon arrival at the hotel Mr C found there was no existing reservation in his name, and he had to pay again at reception. It was upon making further enquiries through the hotel and through Nationwide that Mr C discovered he'd been deceived.

Nationwide attempted to raise a chargeback with the merchant. But this was successfully defended by the merchant on the basis that it had provided the services paid for. That was because Mr C had made the two payments to a money transfer service, and the money transfer had been made.

Nationwide said there was nothing more it could do and told Mr C it wouldn't refund the money.

Mr C referred the complaint to our service as he was unhappy with Nationwide's response. One of our investigators considered what had happened and found Nationwide had acted fairly and reasonably. He could see a chargeback had been raised and he thought that was appropriate. He didn't think there was anything else that Nationwide ought to have done differently.

Mr C disagreed with the investigator's recommendations and so the complaint has been passed to me for a final decision.

What I've decided – and why

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

I'm sorry to disappoint Mr C but I'm unable to uphold his complaint. I can see that he has been the unfortunate victim of a cruel scam. But Nationwide has acted fairly and reasonably in its dealings with him, and there are no grounds upon which I can say it should refund him.

I have to consider that the transactions made by Mr C were authorised. And so, as per his account terms and conditions, as well as the Payment Service Regulations 2017, it was right that Nationwide processed the payments. And it's right that Mr C is presumed liable for them.

I know that Mr C was deceived here, with the website and payment process being manipulated. He believed he was paying for a hotel room when he was actually sending money to a fraudster. I've no doubt Mr C had no idea this was the case. But the concealing of the true payment purpose doesn't alter the answer to the question of authorisation.

In such circumstances I might expect an account provider like Nationwide to raise a chargeback. It needn't always do so. If there's clearly no chance of the chargeback succeeding, then it might be fair and reasonable to not raise one. But here I can see Nationwide considered there might have been a prospect of success and so raised the chargeback through the correct channels.

The merchant successfully defended the chargeback, demonstrating that the services it was contracted to provide had been delivered. Once that successful defence was provided there was little more Nationwide could do.

I can see our investigator thought about whether the payments ought to have appeared unusual to Nationwide, and whether that was to the extent that it ought to have stopped them and asked Mr C about them. Our investigator found that wasn't the case and I'm of the same view. I don't consider the payments were so remarkable that Nationwide ought to have been concerned that Mr C was at risk of financial harm.

I'm sorry Mr C has lost this money. I know the answer I'm giving him will feel as though he's receiving no justice, having been the victim of a crime. But my role is to consider Nationwide's responsibilities and liabilities here, and to look at whether it's acted fairly and reasonably. Having done so, I can't say there's any more Nationwide ought to have done.

My final decision

I don't uphold this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 November 2023.

Ben Murray
Ombudsman