

The complaint

Mr H complains Nationwide Building Society hasn't refunded a transaction he didn't carry out.

What happened

Mr H has a current account with Nationwide with a debit card.

On 28 September 2022 Mr H phoned Nationwide to say that he didn't recognise a transaction for £1,695.43 that had taken place that day. His card was reported as lost or stolen.

Nationwide says Mr H said he'd not shared his PIN with anyone else or written it down. Having investigated the disputed transaction, Nationwide said that it wasn't going to refund Mr H as there was no plausible explanation as to how his PIN had been compromised.

Mr H complained to Nationwide about its decision, saying that it can't have investigated properly as it turned down his claim the same day that he made it. He also complained about the outcome. He said Nationwide should check the CCTV of the store where the transaction had taken place and that it would see it wasn't him.

Nationwide looked into Mr H's complaint and said that it had done nothing wrong and that it would continue to hold him liable. Nationwide said that only the police were able to request CCTV from the store – it couldn't do so. Mr H remained unhappy with Nationwide and complained to us. He said that he was in financial difficulties – and behind on bills – because of what had happened.

One of our investigators looked into Mr H's complaint and said that Nationwide had shown the transaction in question had been carried out using Mr H's genuine card and PIN and that the PIN had been entered correctly first time. Our investigator said that there was no obvious point at which Mr H's PIN could have been compromised and, in the circumstances, they didn't think it was unfair or unreasonable of Nationwide to hold him liable. Mr H didn't accept what our investigator said and asked for a decision from an ombudsman. So, his case was passed to me.

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 can see that Mr H reported the card used to make the disputed transaction in question as lost or stolen. He wasn't able to say when he lost his card, or when it was stolen, or how that might have happened. He instead said he noticed that he'd lost it when he received a notification of the disputed transaction. But he hasn't said anything more about this "notification" and Nationwide has told us that it doesn't send out notifications of payments.

No-one appears to be disputing that Mr H's genuine card and PIN was used. I can see that the last time Mr H used his PIN was the day before. As he's said he hasn't shared his PIN with anyone and it isn't written down, I agree that this means there is no plausible explanation as to how his PIN was compromised. Mr M has suggested that the transaction might have gone through after multiple attempts to input the PIN. But I can see the person who used the card got the PIN right first time.

I can also see that a relatively large payment had been made into the account shortly before the disputed transaction and that even though the balance of Mr M's account was higher than normal, not only was there over £400 left in the account after the disputed transaction, but there were no attempts to check the balance beforehand. I don't think it was unfair or unreasonable of Nationwide to take this into account when deciding whether or not it should hold Mr M liable.

Given everything I've said, I agree that Nationwide didn't act unfairly or unreasonably when it said it was holding Mr M liable for the disputed transaction – his genuine card and PIN was used, and the remaining evidence does not suggest that this was a transaction Mr M didn't consent to. So, I'm not going to uphold this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 August 2023.

Nicolas Atkinson
Ombudsman