

The complaint

Mr C has complained that Nationwide Building Society sent him an unclear text message about restrictions placed on his credit card which resulted in him incurring a financial loss. He's also unhappy about the customer service he's received.

What happened

Both sides are familiar with the case, so I'll summarise things in brief.

On 13 September 2022, whilst on holiday in the USA, Mr C received a text message from Nationwide which read as follows:

'Your card ending 6232 is blocked. Did you use the card at 23.24 for £156.67? If yes, reply Y. If no, call 08004643063. Thank you'.

Mr C didn't believe the message was genuine, supported by the fact he was able to carry on using his credit card without issue. But on 17 September 2022 a transaction was blocked whilst Mr C was trying to settle a hotel bill, so Mr C used another credit card incurring a fee of £40.31.

Mr C complained to Nationwide. He said the text message he'd received was unclear and inaccurate. And this had been further confused by the fact he'd been able to still make transactions despite being told the credit card had been blocked. Mr C wanted Nationwide to refund the £40.31. And he was unhappy with the customer service he'd received from Nationwide when trying to resolve this matter.

Nationwide explained that the restrictions put on Mr C's credit card still allowed for chip and pin and ATM transactions but stopped 'card not present' and 'swipe and sign' transactions because of concerns it had over the security of the credit card.

Essentially, Nationwide was satisfied the wording in the text message was correct and said Mr C should've checked the legitimacy of the text message by visiting its website or telephoning Nationwide. It said he could've then checked the reason for the block and confirmed that the payment which had prompted the block was genuine. So, Nationwide didn't consider itself liable for the costs Mr C incurred by using a different credit card.

In terms of customer service, Nationwide thought some of the telephone calls it had with Mr C could've been handled better. It apologised to Mr C and paid him £50 to recognise the frustration caused.

Mr C brought his complaint to the Financial Ombudsman. He said the text message sent by Nationwide was misleading. He said if it had said his credit card had been *restricted*, he would've contacted Nationwide. But as it said the card had been *blocked* – and he'd been able to still use it – he thought the text message was a scam.

Mr C also thought the wording in the text message around whether he'd *used* the card was also misleading and ambiguous. He said staff at the hotel where he was staying confirmed to

him that no money matching that amount had been taken from his credit card, so this further convinced him the text message wasn't genuine.

When he'd tried to resolve the matter, Mr C said he felt he'd been passed around several members of staff who didn't seem to understand the situation.

Our Investigator looked into things and didn't uphold the complaint. She accepted that Nationwide staff had told Mr C the text message was poorly worded. But she thought Nationwide had ultimately been trying to protect Mr C, and that he could've contacted it to clarify the situation, thus preventing the costs he incurred in having to use a different credit card. She also thought the £50 paid by Nationwide for its poor customer service was fair. Mr C didn't agree, so the complaint has been passed to me to decide.

Mr C maintained the text message from Nationwide was unclear. He said his hotel confirmed there'd been no payment for £156.67 (which he said should've been displayed in the text message in US dollars) and the telephone number he was asked to call didn't match the number on his card. Mr C added that he'd been able to use his credit card for the next five days – which showed it hadn't been blocked. Mr C said all these factors combined made the text message misleading – and that three Nationwide staff he spoke to had agreed with him that the wording needed revising.

Mr C said that when a payment for another hotel was declined, he had no message from Nationwide asking if the transaction was genuine. And because of the time difference between the USA and the UK, coupled with the embarrassment of having his card declined, he said he had no option but to pay for his hotel room with another credit card – incurring the £40.31 charge.

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.

Having done so, I've reached the same outcome as our Investigator – and for largely the same reasons. I realise this will be very disappointing for Mr C and I'd like to assure him I haven't taken this decision lightly.

In doing so, I've very carefully considered all the evidence provided and I'd like to assure Mr C that if I don't mention a particular point, it's not because I haven't considered it, but I've focussed instead on what I believe to be important to the outcome of this complaint.

The first thing to point out is that Nationwide sent the text message to Mr C on 13 September 2022 because it had a genuine concern that his credit card had in some way been compromised. In other words, Nationwide didn't send the text message to Mr C in error.

From looking at the information I've reviewed and on listening to the telephone calls between Mr C and Nationwide, I do think there's a suggestion by Nationwide staff that the information provided in the text message was vague. And I can understand Mr C's caution given the prevalence of scam text messages purporting to be from a customer's bank.

But Mr C also had a responsibility to take reasonable steps to check the validity of the information Nationwide had sent to him – particularly if he had *any* concerns that the message was linked to a scam. And so, I do think Mr C could've done more here and in turn, prevented the £40.31 charge. I'll explain why.

Mr C says he checked with the hotel reception whether it had attempted a payment for £156.67. But this was somewhat based on an assumption on Mr C's part that no other payment could've been attempted on his card. He might not have been expecting a payment from elsewhere, but a fraudulent payment, by its very nature, wouldn't be a payment a customer was expecting.

Further, Mr C has relied heavily on the fact the text message said his card had been *blocked* – yet he was still able to use it. It's correct that a block was placed on the card – and Nationwide has explained to us that the specifics of such a block – for example what types of transactions it applied to – wouldn't be explained in the text message. Rather, that information would be explained on further discussion with the customer, hence it's direction in the text message to the customer to make contact. Nationwide's position here doesn't seem unreasonable to me – and I think Mr C shouldn't reasonably have assumed no blocks were in place on his credit card just because he was able to make certain transactions.

Mr C said he also had concerns that the number Nationwide was asking him to call in the text message didn't match the number on the back of his credit card. Again, I can understand why Mr C was exercising caution here – but if he was unsure of the text message's legitimacy, then he could've resolved that by calling the number on his credit card – a number he knew to be genuine.

I appreciate it was embarrassing for Mr C when his credit card was declined – and can accept that the circumstances would've made it difficult for him to have contacted Nationwide at that time. But I must bear in mind that if Mr C had contacted Nationwide in response to the 13 September 2022 text message – then it's likely his 17 September 2022 transaction wouldn't have been declined and in turn, the loss he's claiming for having to use another credit card could've been avoided.

Taking all this into account, I don't think a mistake by Nationwide directly resulted in the financial loss Mr C is claiming.

I'll turn now to the customer service part of Mr C's complaint. When considering what a business should do to put things right, I look at the direct impact its shortcomings have had on a customer. Nationwide accepts the service it provided to Mr C in some of the telephone conversations with him was not of the expected standard. And on listening to those calls myself, I would agree with Nationwide.

It's evident that Nationwide staff were sympathetic to Mr C's position when speaking with him, and it has taken his comments on board about the wording of the text message. But the key point here is that the text message asked Mr C to make contact – and if he had – the events that followed could've been avoided.

Therefore, on balance, I consider the apology and £50 Nationwide has paid to Mr C to be a fair and reasonable level of compensation and in line with what I'd have awarded had Nationwide not made an offer.

So, I'm not going to tell Nationwide to do anything further to resolve this complaint.

My final decision

For the reasons I've explained, I don't uphold Mr C's complaint in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision **before 3 November 2023**.

Anna Jackson
Ombudsman