

The complaint

Mrs A complains that Nationwide Building Society (“Nationwide”) incorrectly told her that she was entitled to keep money refunded after a cancelled flight.

What happened

Mrs A cancelled a flight with an airline operator and asked for a refund of the flight cost, for which she had paid using her Nationwide credit card.

On 16 February 2023, the airline operator refunded the money to Mrs A’s credit card account and on the same day, Nationwide credited her account with the same amount following a chargeback they’d raised to help Mrs A reclaim the money. Mrs A e-mailed Nationwide on 9 March 2023 asking for some advice as she had seen that she had been refunded twice.

Mrs A’s husband then spoke to Nationwide on 14 March 2023 and following that conversation, Mrs A spent the extra amount that had been refunded. On 24 March 2023, Nationwide re-debited the amount they had refunded.

Mrs A complained to Nationwide as they were holding her liable for the money she had spent, and that interest was being applied to this. Nationwide accepted they could have been clearer in confirming that Mrs A was only able to receive one refund for the transaction and offered to pay her £100 compensation. But Nationwide didn’t think they’d done anything wrong in re-debiting the money from Mrs A’s account.

Our investigator didn’t recommend that the complaint should be upheld. He said that it wasn’t reasonable for Mrs A to receive a refund twice although he did agree that Nationwide could have been clearer about this.

Mrs A didn’t agree and so her complaint has been passed to me for a 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.

There’s no dispute that Mrs A received two refunds for the same transaction. The issue here is whether it’s fair for Nationwide to hold her liable for the amount they re-debited from her account.

I note that Mrs A asked Nationwide for some advice about what she should do, once she'd realised she'd been refunded twice. But I've not seen evidence that Nationwide said she was entitled to receive two refunds or that she was entitled to spend both the refunded amounts. I've listened to the phone call from 14 March 2023 and the adviser said she couldn't advise Mrs A's husband what to do. I agree that the adviser wasn't particularly clear about what could have happened next although I suspect that's because she wasn't sure whether the airline operator or Nationwide might try to claim the money back. The adviser did tell Mrs A's husband that the dispute would stay open until 18 March 2023, but that was only in respect of whether the airline operator might try to reclaim the money they refunded. The airline operator had already decided to refund Mrs A the amount though. It would have been far better for the adviser to have just told Mrs A's husband (and, so, Mrs A) that she wasn't entitled to receive the money back twice.

I appreciate this has led to a difficult situation for Mrs A and I accept that what happened was both confusing and not something she caused. But I don't find I have grounds to say that Nationwide should now not hold her liable for the amount they re-debited. I may have felt differently if Nationwide specifically advised her that she was entitled to that money. But, from the evidence I've seen, that didn't happen.

I agree that Mrs A was inconvenienced by what happened though and I think compensation for that is warranted. Nationwide has already offered her £100 for this and I think that's a fair figure.

In closing, I would just add that Nationwide should consider whether they should only hold Mrs A liable for the re-debited amount, rather than adding interest on top of this, bearing in mind they could have handled things in a better way when they spoke with Mrs A's husband. I will leave that though for Nationwide to decide.

My final decision

Nationwide Building Society has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Nationwide Building Society should pay £100 if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 1 March 2024.

Daniel Picken
Ombudsman