

The complaint

Mr S complains Nationwide Building Society (“Nationwide”) treated him unfairly in relation to a transaction its fraud detection system flagged. He’s raised several concerns about the customer service he received.

What happened

Mr S made an online transfer to a third-party from his Nationwide account. Three hours later he received an email notification asking him to contact Nationwide’s fraud department about it. Mr S called the number in the email but after spending time inputting his details, he got a message telling him that the relevant department was closed.

He called back the next day and spoke to an agent who asked him security questions but left him on hold for over an hour. During this time, Mr S says the call reverted to an automated messaging system, and was answered by someone else, who asked him questions again.

While this was going on, Mr S says he was deeply distraught as he’d made a payment of £6,000, which had disappeared from his account. He thought he’d done something wrong, and his money was lost. Mr S describes that the same thing happened where he was on for hold, without an answer.

Eventually, he spoke to the fraud department and raised a complaint about the customer service both in terms of the time taken to speak to someone and the information given.

Nationwide investigated. In summary, it explained that its fraud detection system had flagged the transaction for a check, and it should have completed a call back to Mr S to check it was genuine. It accepted it hadn’t done the latter and paid £75 for the difficulties caused to Mr S in having to call it and wait on hold, unable to complete the payment.

Mr S wasn’t satisfied with the response and continued to discuss his complaint. He added that he was concerned it hadn’t provided accurate details for him to get back in touch by email and the overall service had continued to be poor.

Nationwide accepted it hadn’t provided an email address and a direct line in an initial response and paid a further £25 to say sorry but said it couldn’t accept replies to an address Mr S had been emailing – as this function didn’t exist. It also paid a further £25 for Mr S waiting on the phone. So, a total of £125 in all.

Mr S didn’t think the compensation went far enough or that Nationwide had addressed all of his concerns. So, he referred matters to us.

One of our adjudicators looked into at what happened but he thought the compensation was fair. He explained businesses have systems in place that flag transactions to counter fraud and scams. The problem here wasn’t this but Nationwide’s failure to call Mr S, to check if he’d made the payment. He recognised this had led to some frustration and inconvenience, but he considered the amount paid fairly reflected the impact.

Mr S didn't agree. He maintained some elements of his complaint had been overlooked, such as, details being removed from his list of payees, an explanation of where his £6,000 had gone for 24 hours, why a recording of a particular call was missing where an agent had inferred Mr S would be in trouble if he wasn't telling the truth about the purpose of the payment and why Nationwide had referenced a payment made by card when that didn't apply. Mr S also wasn't persuaded there had been a 'systems error' when Nationwide had failed to call him.

The case was referred 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.

Having done so, I think the steps taken by Nationwide to resolve the complaint are fair.

Mr S has in his submissions made a number of detailed points, which I have read and considered. I hope the fact that I do not respond in a similar manner here will not be taken as a discourtesy; as an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to concentrate on the crux of the issue.

Like the adjudicator explained, Nationwide didn't make a mistake in flagging the transaction. The terms of the agreement that Mr S has with Nationwide say that it can decline to make a payment in certain circumstances which may lead to delays. Checking for fraud is one and it would be wrong for me to criticise this approach. But Nationwide should have, as it has already acknowledged, contacted Mr S to check if he'd legitimately made the payment in order to deal with the block. I've noted Mr S's comments about a systems error being an excuse, but I don't think there's anything to be gained by exploring this point further, because Nationwide accepts the call didn't happen. The outstanding issue here is assessing what difficulties this caused and how Mr S should be compensated.

Mr S has described the poor service he received in waiting to get through and being put on hold, after speaking with multiple agents. I agree this wasn't good enough and this would have added to him feeling alarmed. But I think the amount paid, a £125 fairly recognises the impact of the poor service issues mentioned.

In making my assessment, I've taken into account that the block was removed without any additional delay, enabling the payment to go through. Mr S would have known the funds were on hold. I've also thought about the overall impact of some of the information Mr S says he was given. He says he was asked why he needed to make the payment and felt it was inferred that if he wasn't telling the truth he could get into trouble. I don't have a recording of this call, but I don't consider I need it. Because I'm prepared to accept what Mr S has said. I don't think Nationwide made a mistake in asking the question. It was a reasonable question to ask as part of its checks so it could be satisfied this was a payment made of free will and wasn't as a result of a fraud or scam, which unfortunately remain on the increase.

It wasn't helpful Nationwide referred to a card but the reason for the block was ultimately the same.

Mr S has referenced other issues, such as, why his details were removed from his list of payees. However, I don't think this materially affects the outcome of this complaint. Unfortunately, such incidents can be mildly annoying but I'm afraid this is part of day-to-day life. It doesn't necessarily follow that this warrants further compensation.

Thinking about everything, I think what Nationwide has already done to resolve the complaint is enough. So, it follows that I won't be asking it to do anymore.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 October 2023.

Sarita Taylor
Ombudsman