

The complaint

Mr P complains that Nationwide Building Society blocked his account without contacting him to provide authorisation for a payment.

What happened

Mr P says that on 6 July 2023 he made some transactions but when he then tried to make a further purchase this would not go through. He says he didn't receive a text or call from Nationwide for him to authorise the transaction and instead his account was blocked. He contacted Nationwide and the block was removed but by that time the items he had been trying to buy were out of stock. Mr P didn't think it was reasonable that Nationwide had blocked his card as the payment was to a retailer he had already completed purchases with.

Nationwide issued a final response letter dated 12 July 2023. It said that a restriction was placed on Mr P's card due to its fraud prevention system. It said its systems were in place to adhere to the fraud protection regulations and were in line with its terms and conditions.

Mr P referred his complaint to this service.

Our investigator didn't uphold this complaint. He said that it wasn't unreasonable for Nationwide to decline a transaction as part of its fraud prevention systems until it had been verified by the customer. He said the systems are in place to protect customers and their money. He said Mr P's account terms and conditions set out that a transaction could be refused in certain circumstances and that the block was removed from the account the same day. Our investigator noted Mr P's comment about not receiving a text or call about the transaction but said Nationwide wasn't required to do this.

Mr P didn't agree with our investigator's view. He said that when he spends with a merchant he receives an authorising code from Nationwide. The blocked transaction was to a merchant he used frequently and had bought from that day and so the transaction wasn't out of his usual pattern of spending. He said he should have been sent an authorisation code or contacted rather than his account being blocked.

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 understand why Mr P is upset that a restriction was placed on his card when he tried to make a transaction and that this meant he missed out on buying certain items. But for me to uphold this complaint, I would need to be satisfied that Nationwide had done something wrong or treated Mr P unfairly.

Nationwide has fraud protection systems in place to protect its customers. I understand that in cases where genuine transactions are blocked, this can cause inconvenience, but as Nationwide is required to have fraud prevention systems in place, I cannot say that it has done anything wrong to take action when the system flags a transaction.

In this case, Mr P attempted a transaction, but this was flagged by Nationwide's fraud prevention system. I note Mr P's comment that the transaction was with a merchant he had used before, including on that day, but I cannot say this meant that Nationwide's systems were wrong to flag this transaction. The account terms and conditions set out when a transaction can be refused and this includes when there is concern about possible fraud. Therefore, I do not find I can say that Nationwide did anything wrong by taking action when the transaction was flagged by its fraud system.

Mr P says that he should have received a call or text to confirm the transaction rather than his card being blocked. I note his comments, but Nationwide isn't required to do this. That said, Nationwide has provided details that show a call was attempted in regard to the transaction but this was unsuccessful.

While I appreciate that Mr P missed out on buying certain items, I can also see that the restriction applied to his card was removed on the same day when he contacted Nationwide. As I do not find I can say that Nationwide did anything wrong or treated Mr P unfairly by taking the action it did when his transaction was flagged, and it then removed the restriction when Mr P contacted it, I do not find I can uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 12 February 2024.

Jane Archer
Ombudsman