

The complaint

Mr H complains that Nationwide Building Society (Nationwide) wouldn't refund money he lost after he gave someone else access to his account.

What happened

Mr H had an account with Nationwide. He says someone offered to pay him to access this account, and an account he had with another bank. But the third party instead stole £1,845 of Mr H's own money. Mr H thinks he should get this money back.

Mr H contacted Nationwide. He didn't tell Nationwide about the third party – he instead said he'd lost his phone and didn't know anything about these payments. Following an investigation, Nationwide thought it most likely that Mr H had authorised these payments. Mr H then told Nationwide about the third party. But Nationwide said it wouldn't change its decision. Dissatisfied, Mr H referred the complaint to us.

Our investigator looked at everything and thought what Nationwide had done was fair. Mr H didn't agree. The complaint has been referred to me to decide.

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 don't uphold the complaint. I'll explain why.

In this case the relevant regulations are the Payment Services Regulations 2017. Generally speaking, Mr H can be held responsible for payments he has authorised. This can include payments made by third parties where they have Mr H's permission to use the account – even if Mr H didn't know about, or ask the third party to make, those specific payments.

The regulations also mean Mr H can be held responsible for unauthorised payments where he either deliberately ("with intent") or very carelessly (with "gross negligence") failed to keep his personal security credentials secure.

Here, Mr H says he gave someone else access to his accounts. He says the third party wanted to pay £5,000 into his account and told Mr H that he could keep £2,000. But the third party in fact transferred £1,845 from Mr H's account with another bank to Mr H's account with Nationwide – and then transferred these funds to an account belonging to someone else. And it appears Mr H helped that person do this by giving them the security information they needed to set up the account on a second device.

While I accept this will be disappointing to Mr H, I find Nationwide acted fairly in holding Mr H responsible for these payments. Mr H admits he let someone else use his account. In doing so, Mr H had allowed the third party to appear to have his authority to make these payment transactions.

In any case, Mr H gave third party the details they needed to log onto his mobile banking. And the terms and conditions that applied to Mr H's account said

“It is important that you take all reasonable precautions to take care of your [...] security details to help prevent fraud and protect your account.”

It went on to say Mr H should

“keep your PIN, password, security codes (passcodes generated by your card reader and One Time Passcodes (OTPs) sent to you) and other security information secret at all times”.

As I've said, the relevant regulations said that Mr H would be liable for all losses incurred if he'd deliberately failed to comply with his obligations in relation to his personalised security credentials. By giving a third party access to his security credentials, I find that Mr H did do so deliberately. It follows that Nationwide could in any event fairly hold Mr H responsible for them.

I've considered Mr H's further comments. He says he's unable to provide further details of the arrangement with the third party because it was made using an instant messaging service that deletes chats after a short period. He also thinks Nationwide could have done more to protect him, for instance by calling him to check he'd made these payments. But this doesn't change my conclusion. Regardless of what Mr H was told over the messaging service, it's plain that he gave someone else permission to use his account. Nationwide couldn't have known that Mr H would give a third party access to his mobile banking. And so I remain satisfied that it's fair for Nationwide to have held Mr H responsible for the payments.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 October 2023.

Rebecca Hardman
Ombudsman