

The complaint

Mr and Mrs B complain Nationwide Building Society provided them with incorrect information and provided a poor service when they were victims of fraud.

What happened

Mr and Mrs B's Nationwide accounts were accessed by an unauthorised third party, who transferred funds out between 3 and 5 June 2023.

Mr B informed Nationwide of this fraudulent activity on 5 June 2023 and attended a Nationwide branch. Mr B says he was informed the funds would be returned in full by the end of the next working day.

Nationwide didn't return the funds to Mr and Mrs B as outlined in branch. Mr and Mrs B contacted Nationwide repeatedly, and the funds were eventually returned on 16 June 2023.

Mr and Mrs B say they received poor service as they were given conflicting information and the funds were not returned promptly, as promised. Mr B says they were not provided with any support or assistance in safeguarding their accounts.

Mr and Mrs B raised a formal complaint, and their concerns were looked into by Nationwide. In its final response letter Nationwide accepted that Mr and Mrs B had been given incorrect information and the service they received was poor. In recognition of this Nationwide paid Mr and Mrs B £250 for the distress and inconvenience caused.

Dissatisfied with the response from Nationwide, Mr and Mrs B brought their complaint to our service. An investigator reviewed Mr and Mrs B's concerns and found that Nationwide had acknowledged its shortcomings and the £250 amount offered to them was fair.

Mr and Mrs B remained unhappy with the compensation awarded by Nationwide and asked for their complaint to be reviewed by an ombudsman for a final 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.

Firstly, I am very sorry to see Mr and Mrs B have been victims of fraud. I recognise that this has been an extremely stressful and worrying time for them both. The person ultimately responsible for this upset is of course the fraudster, and sadly there's little I can do to reduce the upset the fraudster has caused. This decision considers Nationwide's role in the situation.

Returning funds to Mr and Mrs B

Mr B informed Nationwide of the fraud on 5 June 2023 and attended a Nationwide branch. Mr B says this was when he was assured the funds would be returned by the end of the next

working day. Mr B says the next day the funds hadn't been returned, and on 7 June 2023 he accessed his online app and discovered further transactions had gone through his account. I understand this would've been alarming for Mr B. Nationwide explained these transactions were made a few days before, but there was a lag in them showing on the account. This is common with online transactions, so whilst I understand the distress caused, I think the explanation provided by Nationwide was reasonable.

I can see Mr and Mrs B made a number of phone calls to Nationwide whilst it was reviewing the fraud on their account. They also attended branch multiple times to seek progress updates and access funds. Looking at the information provided by Nationwide I do think it could've done better when managing Mr and Mrs B's expectations around its review of their account. Nationwide required time to carry out an investigation into the account activity in line with its regulatory obligations. The time frames involved with this should've been clearly outlined at the outset. I can also see the contact with Mr and Mrs B was predominantly reactive and I think clearer information about what steps were being carried out would've helped alleviate Mr and Mrs B's concerns.

Nationwide accepts its shortcomings, and although it initially offered £150, in its final response letter it apologised and offered £250. Mr and Mrs B say £250 fails to accurately reflect the impact the stress and time this incident had on them. Reaching an award for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact on the consumer can be difficult to determine. In Mr and Mrs B's case the situation was always going to cause a certain level of inconvenience and upset as they had been victims of fraud. Ultimately, the funds were returned to Mr and Mrs B on 16 June 2023 and given the circumstances I think this was a reasonable timeframe. It's also important to note our awards are not intended to be punitive for the business. So, I am satisfied £250 is a fair award and in line with our service's approach to compensation.

Support provided by Nationwide

Mr and Mrs B have raised concerns about the lack of support they received from Nationwide following the fraudulent activity.

Mr B informed Nationwide of the fraudulent activity and says he would've expected Nationwide to pick up on the activity sooner as its website says fraud is monitored 24/7. Although the systems in place at businesses such as Nationwide constantly monitor accounts, this monitoring isn't able to pick up on all activity. In many cases fraud is detected by the account holder, and the key issue is the steps taken once a bank is made aware of the fraud.

Mr and Mrs B also say Nationwide didn't provide any practical support about how to safeguard their accounts. In particular Mr B is concerned that Nationwide hasn't followed its regulatory obligations and ensured its customers are protected. Businesses such as Nationwide deal with high numbers of fraud cases, and the level of support we would expect a business to provide will vary depending on the nature of the fraud and the individual customer. I also think it's important to clarify that although this service takes into account regulatory guidance set by the FCA for businesses, we are not the regulator. The FCA is ultimately responsible for ensuring Nationwide meets its regulatory obligations. I do appreciate this has been an unsettling experience for Mr and Mrs B and they expected more action from Nationwide given the information on its website. But my role is to consider their individual complaint, and I think the steps taken by Nationwide to recognise its shortcomings in Mr and Mrs B's specific case are fair.

I know this will not be the outcome Mr and Mrs B were hoping for and they will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Nationwide to take any further action.

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 B and Mrs B to accept or reject my decision before 13 December 2023.

Chandni Green
Ombudsman