

The complaint

Mr C complains that Nationwide Building Society handled a fraud claim he raised poorly, causing him additional stress and inconvenience at a difficult time.

What happened

In September 2022 Mr C was the victim of fraud. He was drugged and his Nationwide account card was stolen, the fraudsters were also able to 'shoulder surf' him when he was inputting his PIN on an ATM, and so were subsequently able to use his card for cash withdrawals and other payments.

When Mr C discovered what had happened, he contacted Nationwide to raise a fraud claim. Mr C feels that Nationwide did not properly investigate his claim, dragging out the process and causing him additional upset. He also feels that the payments should have been flagged by Nationwide as suspicious, potentially stopping some of them from happening. Mr C has also noted that he feels he was given incorrect information about the transactions by Nationwide and that he was promised a call back that didn't happen.

Ultimately Nationwide did refund the disputed payments to Mr C, on 8 November 2022, but Mr C remains unhappy with his overall experience here. So he asked us to look into his complaint.

One of our Investigators considered what had happened, but they felt that Nationwide had treated Mr C fairly. They didn't feel that Nationwide had handled the fraud investigation poorly, or that it had otherwise provided a poor service to Mr C, so they didn't think Nationwide needed to do any more than it had already done – refunding the disputed payments.

Mr C disagreed, he maintains that he was given incorrect information and false promises in the conversations he had with Nationwide. And he feels that the payments in dispute here were suspicious enough that Nationwide could and should have done more to stop them.

As no agreement could be reached, this case has been passed to me for review.

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've reached the same conclusion as our investigator, I'll explain why.

Firstly, while I understand why Mr C feels these payments should have been flagged as suspicious by Nationwide, I'm satisfied that Nationwide acted reasonably in allowing them to be made. The payments were made using Mr C's legitimate card and PIN, and were not to notably unusual or suspicious retailers. And while I understand they Mr C feels they were for large amounts in the context of cash withdrawals, in the wider picture of the transactions

Nationwide deals with every day, I don't consider there was enough here to suggest that they were suspicious or otherwise needed further verification.

When Mr C raised his claim with Nationwide he has said that the funds should have been returned to him straight away, but the terms of his account make provision for Nationwide not to refund disputed payments if it has reason to believe that they were authorised by the account holder. And given that it was aware the payments had been made with Mr C's legitimate card and PIN, I don't think it was unreasonable for Nationwide not to refund the payments until it had carried out further investigations.

I acknowledge that it did then take around 6 weeks for Nationwide to conclude that investigation and refund the payments. Mr C says that he was clear from the start what had happened to him, but that Nationwide did not pursue contact with the police to verify exactly what had happened and so prove that a fraud had taken place. I can understand why Mr C feels the way he does, and I can see that he arranged for a police officer to speak with Nationwide on 25 October 2022. But written confirmation of the fraud that was perpetrated on Mr C was only sent to Nationwide by the police on 7 November 2022, and the disputed amounts were refunded to him the next day. I can understand why Mr C feels this process took too long, but I can also see why Nationwide would want to ensure it had appropriate evidence to show that a fraud had taken place.

I also acknowledge that in calls with Nationwide Mr C was left expecting a call back which did not come, and that he was given some confusing information about which payments were cash withdrawals. I can understand why this caused him frustration, but I think the issue regarding the call back was a misunderstanding. And while I agree that the individual he spoke to did incorrectly identify some payments as withdrawals, they correctly identified the locations of all the relevant payments, and this is the information that was needed for the police investigation, so I can't agree that any confusing information has impacted what happened.

So, while there were some minor issues in the service Nationwide provided here, I feel that in general it dealt with Mr C fairly and reasonably, and I don't consider that any minor failures in the service it provided merit compensation. I say this because while I don't doubt that the whole situation has been extremely distressing and upsetting for Mr C, it is not Nationwide that perpetrated this fraud on him. And when dealing with these kinds of incidents there is always going to be a level of frustration and inconvenience, but I don't think that means that Nationwide has, overall, acted unfairly here.

Mr C has been reimbursed for the fraudulent payments, and while I know this will be disappointing for Mr C, I won't be asking Nationwide to do anything more.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 September 2023.

Sophie Mitchell
Ombudsman