

The complaint

Mr J complains about Nationwide Building Society (“Nationwide”) for restricting his credit card when he was trying to complete a transaction. He wants Nationwide to compensate him for the difference in price he ended up having to pay, and for his inconvenience.

What happened

Mr J held a Nationwide credit card.

In January 2022, Mr J tried a number of times to make an online purchase of a camera lens, from an online retailer he had successfully bought from before. The transaction was for £2,559.00.

Mr J completed security steps, but the transaction declined each time. Mr J says that this happened a number of times over the course of a week.

On 10 January 2022, Mr J attempted the transaction again. Nationwide’s automated security systems blocked the transaction.

Mr J called Nationwide and was told that the automated block was due to the size of the transaction. Mr J completed additional security and confirmed that the transaction was genuine. The block was then removed by Nationwide’s agent.

Mr J attempted the transaction again and it again declined. Mr J called Nationwide again and was assured that the block had been removed and it should work.

Mr J attempted the purchase several more times, and then had to use an alternative retailer to complete his purchase. This was at a higher price and cost Mr J £61.00 more.

Mr J complained to Nationwide. He understood that security measures were justified if Nationwide was concerned about the transaction but felt that Nationwide had not responded to his calling to confirm the purchase and had wasted his time.

Nationwide responded and did not uphold Mr J’s complaint. It apologised that he had been advised that the transaction was marked as genuine by its agent but pointed to the terms and conditions which allow nationwide to restrict a transaction.

Mr J was not happy with this and contacted us.

Our investigator looked into this matter and he did not recommend upholding the complaint. He considered that Nationwide had acted within its terms and conditions. Mr J did not accept that view and asked for an ombudsman decision.

I previously issued a provisional decision in relation to this complaint. In that provisional decision I set out that I felt that Nationwide’s systems had not worked properly for Mr J and that it had not given an adequate explanation to Mr J for the transaction failing, so Mr J continued to try. I therefore thought it ought to pay compensation to Mr J.

That provisional decision has been shared with the parties and they have been invited to make comments.

Mr J has indicated that he accepts the provisional decision.

Nationwide has queried some of the background I set out, including the number of transactions attempted. It has not accepted the provisional 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.

Nationwide has queried the number of times Mr J attempted the transaction before contacting Nationwide as it only has a record of 2 attempts. Nationwide comments that the first attempt was blocked by the card provider, and the second was blocked by Nationwide.

Mr J has said that he attempted to complete the transactions a number of times over the previous week and that it failed. Nationwide has previously advised that it does not keep data on attempted transactions for more than 6 months so it is not possible for Nationwide to confirm this, but I have no reason to doubt Mr J's account.

Nationwide has also said that if Mr J was encountering difficulties during the week then he ought to have got in touch then. I cannot see that he did get in touch before the weekend, but I do not see that it would have made any difference if he had done. As I set out previously, Mr J made contact with Nationwide when the attempt on 10 January 2022 failed and he was assured that there was no problem and that it would now work. This was not the case and the transaction failed again.

I have not received any further submissions which change my view from that set out in the provisional decision and so I adopt that decision and reasons as my final decision.

Putting things right

Nationwide should reimburse Mr J for his financial loss in having to use an alternate site (£61.00) and also compensate him for his wasted time and his inconvenience over the course of up to a week of trying to use his Nationwide card. I think that £75 compensation reflects this distress and inconvenience.

My final decision

For the reasons given above, and in my provisional decision, I uphold Mr J's complaint and direct Nationwide Building Society to:

- Pay to Mr J £61.00 as compensation for his financial effects; and
- Pay to Mr J £75 for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 13 December 2022.

Laura Garvin-Smith
Ombudsman