

The complaint

Mr U complains Nationwide Building Society (Nationwide) provided poor customer service when he attempted to answer security questions to unblock his credit card account.

What happened

Mr U says he was overseas on holiday in late September 2023 and Nationwide blocked his credit card account as he had exceeded his daily withdrawal limit. Mr U says initially Nationwide contacted his home landline telephone number and he had to call them the next day to unlock the credit card, but he failed the security questions.

Mr U says the security questions asked by Nationwide were unreasonable and didn't take into account he was overseas, and he wouldn't have access to the range of information required to answer these security questions, some of which Mr U says he would need a DSAR to know the answers to.

Mr U says this was a stressful time as he was undertaking a long journey home and incurred extra costs as a result of his credit card being blocked. Mr U wants Nationwide to acknowledge some of its security questions aren't appropriate and are difficult to answer especially when overseas.

Nationwide says customer security is very important to them and it must take reasonable steps to confirm the identity of a caller. Nationwide says its systems are automated so the questions asked may change and this wouldn't alter, even if the customer is overseas. Nationwide says it carried out its procedures for security identification correctly and don't feel it acted unfairly.

Mr U wasn't happy with Nationwide's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator felt Nationwide had correctly followed its validation and security policies and acted on these – the investigator says this was necessary for it to protect its customers' accounts from unauthorised access.

While the investigator understood Mr U felt the security questions Nationwide asked were unreasonable, it explained to this service the questions are randomly selected by the systems for the agent to ask in order to validate the account. The investigator says this service isn't a regulator so it can't tell Nationwide what security and fraud measures it should have or how to operate its systems. The investigator says she couldn't find Nationwide had acted unfairly here or treated Mr U any differently to its other customers.

Mr U didn't agree with the investigator's view and asked for the matter to be referred to 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it must have been frustrating for Mr U to have his credit card blocked while he was overseas and have to answer various security questions in order for the card to be unblocked. When looking at this complaint, I will consider if Nationwide acted unreasonably when it asked the level of security questions it did before it would consider unblocking the credit card.

Mr U's complaint centres around the fact he was asked to answer unreasonable security questions to remove the block on his credit card account, especially taking into account he was overseas at the time. Mr U says the type of questions asked could only reasonably be answered with full access to his credit card account details.

While I understand the points Mr U makes here and have some sympathy with what he says, I'm not fully persuaded by his argument. I say this because as pointed out by the investigator, although Mr U may not agree, it's not the role of this service to tell businesses like Nationwide what security questions it must ask when trying to establish the identity of its customers – that is a business decision for it to take.

What is important to say here is Nationwide have a responsibility to protect its customers from fraudulent activity and its security measures including randomly asked questions are part of that. Here, from the information I have seen, Nationwide asked a series of security questions, some of which may have proved difficult to answer given Mr U was overseas undertaking a lengthy journey home. So, without trying to minimise the frustration this would have undoubtedly caused Mr U here, I can't tell Nationwide it must take these circumstances into account when asking the questions it needed, in order to properly identify the authenticity and identity of Mr U.

While Mr U will be disappointed with my decision, I won't be asking anymore of Nationwide.

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 U to accept or reject my decision before 17 June 2024.

Barry White
Ombudsman