

The complaint

Mrs B complains Nationwide Building Society (“Nationwide”) refuses to refund her for a transaction on her account she says she didn’t authorise. She also complains of poor customer service and delays in Nationwide’s handling of her complaint.

What happened

Mrs B raised several complaint points. In summary, Mrs B says she’s unhappy Nationwide haven’t refunded a disputed transaction; access to her online banking was wrongly restricted; her accounts were closed without her consent; and she has experienced poor customer service throughout her complaint with Nationwide.

Nationwide recognised that it made mistakes in its handling of Mrs B’s complaint. It has apologised and offered to pay Mrs B £100 in compensation for the delays in responding to her SAR request; not giving her notice that her future statements would only be available online; and for restricting her credit card immediately without giving her any notice. But Nationwide didn’t agree the disputed transaction was unauthorised, but still refunded the full amount disputed as a gesture of goodwill.

I’ve considered this complaint again, and my findings are to follow.

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.

Mrs B and her representative raised several points and although I may not mention every point raised, I’ve considered everything they have said but limited my findings to the areas which impact the outcome of the case. The initial outcome on this complaint provides more detail, but where there has been no dispute or further evidence for me to consider, I have summarised my findings where appropriate. No discourtesy is intended by this, it just reflects the informal nature of our service.

Mrs B says she didn’t authorise a payment of £85 on 7 July 2020, and that this was done under duress of a family member. I have considered what Mrs B has said and I appreciate she was in a difficult situation and felt she had no choice but to allow a third-party access to her account. But the regulations say that in situations like this, the transactions are deemed to be authorised, even if the account holder has shared details with someone under duress.

In other words, if someone gives a third-party access to their account, they’re deemed to have authorised what that third party does even if they didn’t specifically know about or agree to individual payments. And based on what Mrs B has said, she did give the third-party access to her accounts to help her make other authorised payments. So, I don’t think it was unreasonable for Nationwide not to refund the disputed payment. However, as previously mentioned it did refund the full amount of the disputed transactions as a gesture of goodwill.

Mrs B's representative said he made Nationwide aware that Mrs B's account details had been compromised and it should look out for suspicious payments. So, Mrs B says Nationwide should've blocked this payment. However, I don't agree that Nationwide should've flagged this payment as suspicious or blocked the transaction. Usually we would expect large payments, perhaps international payments, or payments significantly out of character to be flagged. The payment in dispute was for a relatively low sum and there was no indication that this could have been fraudulent – like incorrect PIN attempts or logins from another country. So, I don't think Nationwide did anything wrong by not blocking this transaction.

Mrs B also complained about the restrictions on her online banking account. But these restrictions were put in place to protect Mrs B's account after it was notified that her account details had been compromised. Nationwide required Mrs B to re-register for online banking once her account was safe again – and I am satisfied that Nationwide's actions were reasonable here.

Mrs B is unhappy her SAR request was not responded to within the required time frame. Mrs B says she complained to the Information Commissioners Office (ICO) about this, and they upheld her complaint. I think the ICO are the most appropriate body to deal with this complaint, so I won't comment on this further.

I have seen that Mrs B asked Nationwide for some information about her online banking history to assist the police with their investigation into the third-party who used her account. Mrs B requested this on 1 March 2020, but it was only provided to her on 31 January 2024. I think it's fair to say that this was poor customer service by Nationwide, and for I think it would be fair and reasonable to award some compensation. I've set this out below.

Mrs B is unhappy that from August 2020 she stopped receiving statements via post, after previously making it clear that she wanted paper statements. From the evidence supplied it seems that when Mrs B had to re-register for online banking, her personal preferences were reset to the default settings, and she stopped receiving paper statements. This was rectified by Nationwide and future statements were sent via post until April 2021. In April 2021 Nationwide as a business decided to only issue statements online and it says it notified Mrs B. While Nationwide are within their rights to make such a business decision, I've not seen any persuasive evidence that it informed Mrs B that she wouldn't receive any more paper statements – and this again, I think, is poor customer service for which Mrs B deserves some compensation. I've set this out below.

Lastly, Mrs B is unhappy her accounts were closed by Nationwide as she had been a long-standing customer with it. This decision was made by Nationwide as it felt the relationship had broken down. As a Service we cannot compel Nationwide to continue a banking relationship with Mrs B, but we can look at how Nationwide acted in closing Mrs B's accounts.

Nationwide says it gave Mrs B two months' notice before ending the relationship. This is what we would expect to see as a reasonable amount of notice time. However, Mrs B says he credit card was restricted immediately. Nationwide apologised for this mistake and offered £50 compensation. I think Nationwide gave appropriate and fair notice of its decision to close her accounts, except for her credit card account. But I think £50 is fair compensation for mistakenly closing her credit card account immediately.

Overall, Nationwide has already offered £150 in compensation for the failings it identified during this process. This initial outcome reached by our investigator awarded an additional £200 compensation for the failings addressed above which had not already been adequately compensated for. As I've said above, neither party raised any objections to this award for me

to consider, and I think this award is fair and reasonable in the circumstances.

Putting things right

Nationwide Building Society should pay Mrs B an additional £200 compensation for its customer service failings as outlined above.

My final decision

I am upholding this complaint in part, and Nationwide Building Society should put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 27 September 2024.

Sienna Mahboobani
Ombudsman