

The complaint

Mr W complains about an entry Nationwide Building Society (“Nationwide”) made on his credit file.

What happened

Mr W applied online to open a savings account with Nationwide. Mr W then discovered a note on his credit file saying ‘Victim of Impersonation’ so he complained to Nationwide as he wanted this removed. Nationwide responded and said, as part of the account opening process, they carry out various checks, one of these being to ensure the person opening the account is in fact who they say they are. They said, this is to prevent members being victims of various types of scams or fraudulent activity, such as impersonation. Nationwide said, as Mr W opened the account online, they need him to present identification face to face in one of their branches, providing proof of name and proof of address. They said, once these have been provided and satisfied, they will then be able to remove the information held on Mr W’s credit file and the account can then be opened.

Mr W explained to Nationwide he’s disabled and was also shielding due to Covid-19. Nationwide then agreed to Mr W sending the identification documents by email. Mr W sent this and Nationwide then removed the marker on Mr W’s credit file.

Our investigator looked into things for Mr W. He thought Nationwide hadn’t acted unfairly in making the entry on Mr W’s credit file. Mr W disagreed so the matter has come to me for a 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’ve decided not to uphold the complaint. I understand Mr W will be disappointed by this but I’ll explain why I have made this decision.

I should say at the outset that this service doesn’t have power to require a business to change its processes. Or to direct what documents it should require in seeking to verify a customer’s identification. I can see Mr W applies online to open a savings account with Nationwide. Nationwide say they had a query relating to some information provided by Mr W so they decided further identification was needed which is why they asked Mr W to present this at the branch. Nationwide say they are well within their rights to ask for additional identification to ensure the person who is opening an account is the person they say they are.

I understand that it can be inconvenient to be asked to provide additional information. But I don’t find that Nationwide did anything wrong in requiring Mr W to verify his identity before allowing him to open the account. It’s in all our interests that security checks are enforced to reduce the likelihood of someone using another person’s identity to open an account.

I can see Nationwide had concerns Mr W's identity was being impersonated so they file an entry on the Credit Industry Fraud Avoidance System ("Cifas"). They file a record for 'Victim of Impersonation' which is intended to protect the innocent victim – in this case Mr W - from being further impersonated. It also allows Cifas members the option to contact the innocent party when they receive an application in their name, in order to confirm a genuine application. So, I do wish to reassure Mr W that the Cifas entry isn't an allegation that he has carried out any fraudulent activity – instead, it's a process designed to protect him should someone try to make an application using his details.

That said, I do understand why this worried Mr W. Entries on his credit file make reference to 'ID fraud' so I acknowledge why this upset Mr W given that he was the customer who applied for the account and not someone impersonating him. But, Nationwide didn't know that at the time and that's why they asked for identification documents. While this meant the Cifas marker remained on Mr W's credit file until he provided identification documents, I can't say Nationwide acted unreasonably here.

I can see Mr W feels Nationwide have breached the Equality Act 2010 and also failed to put in place reasonable adjustments for him. I think Nationwide did make reasonable adjustments for Mr W here to help with the account opening. I can see they initially ask for identification documents to be brought into branch but when Mr W explains his reasons for being unable to do this, they accept the documents by email. At this point they remove the Cifas marker and also confirm to Mr W that he can proceed with the opening of the account.

In summary, I understand why the information on Mr W's credit file worried him but this was to protect Mr W given Nationwide's concern. So, I can't say Nationwide made an error here.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 December 2021.

Paviter Dhaddy
Ombudsman