

The complaint

Mr M complained about the amount of compensation which Nationwide Building Society paid him.

What happened

In 2019, Nationwide closed Mr M's account following suspect activity on the account. It also registered a CIFAS marker against Mr M's name. CIFAS is a fraud prevention agency, which has a large database on which information is recorded to protect financial businesses and their customers against fraud.

By 2021, Mr M was banking with another organisation, but on 1 July that bank closed Mr M's account. He said that bank told him verbally that the reason was a CIFAS marker against him. He found out that Nationwide had registered a CIFAS entry against his name, and complained to Nationwide.

Nationwide reviewed what had happened, and in its final response on 2 August, it told Mr M that it had taken its 2019 decision without considering the complete picture. So it removed the CIFAS marker and said it would now be willing to offer Nationwide services again. Mr M opened Nationwide accounts on 12 August 2021.

Nationwide also said that as a further apology it would pay Mr M £125 compensation for the impact this would have had on him. It paid this to one of his new accounts. It said it could consider further compensation if Mr M provided evidence. It asked for:

- Evidence that the other bank's decision to close Mr M's account had been made solely because of the CIFAS marker recorded by Nationwide;
- Evidence that Mr M had tried to open accounts and had been rejected; and
- Information about exactly when the other bank's closure had happened and any other relevant details;
- Evidence of impact in any other way as a result of Nationwide's actions.

Mr M didn't send reply to Nationwide with evidence. He contacted this service. He said he hadn't been able to reply to Nationwide, because the other bank hadn't been willing to confirm that the sole reason it had closed his account was Nationwide's CIFAS marker. He said he'd been without any banking facilities between 1 July and 12 August 2021, which he said had meant:

- he'd had to arrange for his salary to be paid temporarily into his mother's account, causing doubt on his credibility;
- he'd then had to arrange for his mother to pay his direct debits, and to go to the bank at lunchtime to withdraw cash for him;
- as he didn't have a debit card, he'd had to carry large amounts of cash, which made him feel vulnerable, so he'd refused some social invitations;
- his car payment company had said his mother could make one payment on his behalf but no more, so he'd been afraid his car would be possessed, affecting his credit score;
- although his mother had been supportive, he'd felt lonely and isolated;
- he'd lacked motivation at work so the quality of his work had been affected;

- it had caused him a great deal of stress, and had inconvenienced and stressed his mother too.

Mr M said he wanted an apology, and confirmation that the CIFAS marker had been removed and his credit file hadn't been affected. He wanted compensation for the trouble and upset he'd suffered when he'd been without any banking facilities for six weeks between 1 July and 12 August 2021.

Our adjudicator didn't uphold Mr M's complaint for more than Nationwide had already done. She said that while the marker had been on Mr M's record for two years, the impact had only been for six weeks. She considered £125 compensation was fair.

Mr M didn't agree. He said he was extremely disappointed and being without banking facilities for six weeks had caused untold problems. He said that £125 equated to £20.83 a week, which was an utter insult. He asked for an ombudsman's 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.

As Nationwide agreed that its 2019 decision had been flawed, this decision doesn't consider whether or not the CIFAS marker should have been recorded. It relates just to what Nationwide should do to put things right. Mr M has also complained about the bank which closed his accounts in 2021, but there's a separate decision about that. This decision just relates to Nationwide.

Nationwide confirmed that it removed the CIFAS marker, and it apologised. It also says it didn't record any adverse credit information related to the CIFAS issue in 2019. So the sole issue for me to consider is whether £125 compensation which Nationwide paid Mr M was fair and reasonable.

The CIFAS marker was recorded against Mr M for two years, but Mr M only suffered an impact for the six weeks between 1 July 2021 when another bank closed his account, and 12 August 2021 when he opened three new Nationwide current accounts. During this period he didn't have access to banking facilities. I've set out above what Mr M said about the impact on him, and I've considered all the points he made. I recognise that there was inconvenience during that period. But Mr M did have some access to banking through his mother's willingness to help, and he's said how supportive she was. Using financial services won't always be free from stress, and I consider that, in all the circumstances of this case, Nationwide's payment of £125 compensation was fair and reasonable. It's already paid this, so I don't require Nationwide to do more.

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 M to accept or reject my decision before 1 August 2022.

Belinda Knight
Ombudsman