

The complaint

Mr M complains Nationwide Building Society unfairly loaded him to a fraud database.

What happened

Mr M's account was blocked, and he says this was after he'd ordered lots of items from a winter-sports website. Mr M says the site turned out to be a scam and he had to make multiple chargebacks to try and recover his losses.

Nationwide then closed Mr M's account and loaded his details to a fraud database. Mr M complained to Nationwide and it said he'd misused the dispute process, and this was why he'd been loaded to the fraud database.

Nationwide said it had reviewed things again and it wouldn't be opening an account, wouldn't remove the fraud database loading and there was a significant amount of money owed to it because of the failed chargebacks.

Unhappy with this response Mr M brought his complaint to this service. An investigator looked into things but didn't think Mr M's complaint should be upheld.

The investigator said Mr M had tried to charge back payments to another bank he said were duplicated. The investigator said these payments hadn't been duplicated, so Mr M had falsely reported a loss, so they didn't think the fraud marker should be removed.

Mr M didn't agree with this outcome and said the loading was prompted by legitimate claims, he'd made multiple orders to the same company and these were refunded. Mr M asked for an ombudsman to decide things.

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.

I asked Mr M to provide some more information about the orders he'd made from the winter-sports company, but he didn't send anything further in.

Mr M says the winter-sports company he paid was a scam. Mr M made a payment of £19.17 in early February 2024. Mr M told Nationwide this payment was for sports shoes, but they were never delivered.

As part of Mr M's claim he sent Nationwide a chat he'd had with the winter-sports company. Although the response is from a chat bot, and not a human, it's clear this company isn't a winter-sports company but a crypto asset company.

Mr M raised the issue with this payment, to Nationwide, on 26 February 2024. By this point Mr M had made almost 20 card payments to this company and paid over £4,000.

I can also see Mr M made card payments to other crypto companies before and after February 2024, so I think Mr M knew he was paying a crypto company, but he asked Nationwide to raise a chargeback saying this was a winter-sports company.

And Mr M was still spending money with this company on 27 March 2024. This means Mr M apparently knew this was a scam on 26 February 2024, he told Nationwide he'd not received shoes he ordered, but continued to spend money with this company anyway.

I think Mr M was knowingly paying money to a crypto company, potentially because of a compulsion to spend, but he was still authorising these payments. I think Mr M then disputed these payments with Nationwide, and falsely claimed these payments had led to a loss.

Mr M sent in emails from 27 March and 3 April 2024, where Nationwide says his claims against the company were successful. But just because a chargeback was successful doesn't mean it was a legitimate claim.

If a company receiving the payment, or its bank, doesn't respond to a chargeback claim the person raising it might get a refund by default. So, I don't think the fact Mr M received refunds shows the disputes were legitimate, or Mr M experienced a loss.

Mr M made many other chargeback claims, with other companies, including the other bank referenced in the investigator's view. I'm not sure there's quite enough evidence on these payments to say Mr M falsely claimed a loss.

But I believe Nationwide has provided sufficient evidence about the payments to what Mr M says is a winter-sports company. And this is even when I consider the standard of proof for a fraud database loading is higher than simply a balance of probabilities.

I'm aware of the effect of a fraud database loading, it can significantly affect someone being able to open an account at all, and access credit. This significant effect means the evidence Mr M acted fraudulently has to be rigorous, and I believe it is here.

I think Mr M disputed the payments to the crypto company in a dishonest manner, he said payments were for sporting goods when it's clear the payments weren't for this.

And then Mr M continued to pay to this company, even after he'd told Nationwide he'd not received goods he'd ordered. I don't think these are the actions of someone who's been scammed, and realised they'd been scammed.

This means I don't think Nationwide did anything wrong when it closed Mr M's account, and I don't think it's doing anything wrong in holding him responsible for other failed disputes.

And I think Nationwide, and Mr M himself, have provided enough evidence to show, on a higher standard of proof than a simple balance of probabilities, Mr M dishonestly claimed a loss from payments he knowingly made and benefitted from.

I think Nationwide was fair in loading Mr M's details to a fraud database, and saying he'd falsely claimed a loss, so I won't be asking it to remove the loading.

My final decision

My final decision is I don't 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 24 July 2025.

Chris Russ
Ombudsman