

## **The complaint**

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

## **What happened**

Nationwide closed Mr B's account and loaded him to a fraud marker database. Mr B complained and Nationwide said it had closed his account in line with its terms and conditions, it had loaded Mr B to a fraud database, and he could complain there.

Mr B brought his complaint to this service, and said any claims he'd made were valid and he'd never gained from any of his claims. An investigator looked into things and thought Mr B's complaint should be upheld.

The investigator acknowledged Mr B had made several chargeback claims, but didn't feel the chargebacks alone were proof Mr B had intentionally tried to commit fraud. The investigator thought Nationwide should remove the fraud marker and pay Mr B £250.

Mr B accepted this outcome, but Nationwide disagreed. Nationwide said Mr B had raised 56 claims in the 12 months before the closure of his account, including 28 to the same retailer.

Nationwide also said it had previous concerns about fraud claims Mr B had raised, and overall felt the fraud marker was a fair reflection of how Mr B used his account.

Nationwide asked for an ombudsman to decide things.

## **My provisional decision**

I didn't think Mr B's complaint should be upheld, so I issued a provisional decision, and in it I said:

I agree with a lot of what the investigator said. Mr B raised several chargebacks, some were successful and some weren't. If Mr B had been refunded any of the failed chargebacks, on indemnity, he paid these refunds back to Nationwide.

On these simple facts it possibly would be unfair to load Mr B to a fraud marker database.

But Nationwide has sent in further evidence I have to consider, and this includes the 28 payments Mr B made to another bank's credit card. Mr B said he said he hadn't carried these transactions out.

Nationwide investigated this fraud claim, and saw the payments started in October 2022. The payments continued until June 2023, so Mr B went more than eight months without realising nearly £1,900 had left his account.

And Mr B didn't report these fraudulent payments until November 2023. But Mr B had raised four of the payments as chargebacks previously, in September and October 2023.

This means Mr B was aware of these payments, but raised some of them as errors, not fraud. And a month after the last chargeback was unsuccessful, Mr B told Nationwide he hadn't authorised any payments to this credit card.

Looking at the other claims Mr B was raising, and the frequency of them, it's clear Mr B was keeping a close eye on his spending. And Nationwide says Mr B was consistently using online banking throughout the period of October 2022 to June 2023.

But, despite this close eye, Mr B apparently missed 28 payments which he said were fraudulent, taking a significant amount of money from his account.

As part of Nationwide's investigation into the fraud claim, it looked at how the payments were made. The payments were made online, so Nationwide looked at the internet protocol (IP) address used when the payments were made.

Nationwide has shown the IP for the payments matches the IP Mr B has used many times to access his online banking. Whilst this isn't definitive, it's strongly suggests Mr B, or someone in his household, made the payments.

Nationwide declined Mr B's fraud claim, and he didn't appeal this decision or look to bring any complaint to this service.

But Nationwide declining a fraud claim isn't enough for it to load Mr B to a fraud database. I think there needs to be persuasive evidence Mr B carried out the transactions and then tried to claim them as fraudulent.

I think Nationwide has met this burden of proof, and I'm specifically persuaded of this because of the prior chargeback claims for some of the apparently fraudulent payments.

Mr B knew these payments had debited his account. And Mr B has raised numerous other payments as chargebacks during the period of the fraud claim. I don't believe Mr B missed these credit card payments, he clearly scrutinises his outgoings in great detail.

Since I believe Mr B saw these payments leaving his account, but didn't raise them at the time, and then later raised some as errors, and not fraud, persuades me Mr B was aware of, and carried out these payments himself, then later said they were fraudulent.

Since I think Mr B authorised the payments to the credit card, and then reported them to Nationwide as fraudulent, I think Mr B falsely claimed a loss here.

And this is what Nationwide has added as the loading to the fraud database.

I think Mr B intentionally tried to cause a loss to Nationwide, by claiming payments he made as fraudulent.

I also looked at some of the chargeback claims Mr B made, specifically three payments to a supermarket online. Mr B paid £123.33 in September 2023, £149.22 in October 2023 and £145.20 in November 2023.

Mr B raised all three payments with Nationwide because he said he paid by another means. Nationwide emailed Mr B on each case and asked for proof of paying another way and Mr B

never sent anything to Nationwide to show he'd paid another way.

I've looked at Mr B's statements and on each day he's debited by the online supermarket he's also been refunded by it. I assume this refund is for items missing from his order.

I think it's very unlikely the online supermarket would debit or refund Mr B on his Nationwide card if he paid another way. And, since Mr B's provided no evidence of paying another way for any of the payments, despite Nationwide asking, I don't believe he paid another way.

I think Mr B made these payments and then tried to claim them back. And by saying he paid another way, this says Mr B experienced a loss, he's paid twice for the same order.

But since I don't believe Mr B experienced the loss, but claimed he did, I think this again says Nationwide's decision to say Mr B has falsely claimed a loss is accurate.

I've thought very carefully about what Mr B has said, and the effect a fraud marker can have on someone. I know Mr B feels he caused no loss, and paid back any unsuccessful claims he made, I still think he falsely claimed a loss on several occasions.

And I think Nationwide has met the standard of proof required by the fraud database, I think Nationwide has provided clear evidence a fraud was attempted. Nationwide doesn't have to experience a loss, just show a fraud was attempted.

Since I think Nationwide has met this standard of proof, and I think Mr B falsely claimed a loss, I won't be asking Nationwide to remove the fraud database loading.

### **Responses to my provisional decision**

Nationwide said it had nothing to add.

Mr B responded to my provisional decision several times, and said he didn't commit fraud. Mr B said the evidence needed for a fraud marker loading must be clear and rigorous, it was a high bar and Nationwide hadn't met this bar.

Mr B said his fraud claim for the credit card payments were because of confusion around the lender and the branding of the credit card. Mr B said he withdrew the claim two days after he logged it and was told the worst to happen would be the claim would be declined.

Mr B said the claims he made were always honest. And Mr B said Nationwide could have warned him about his conduct.

Mr B said he paid the online supermarket by card from another account, but this account had been closed because of the fraud marker Nationwide added. Mr B said he didn't reply to Nationwide's messages because he resolved things with the retailer.

Mr B said the refunds went to his Nationwide account because he used a virtual, or one time, card for the purchase and these cards can't receive refunds.

Mr B said the retailer refunded half to his other bank account and half with vouchers, but he this was some time ago so it's not reasonable for him to still have emails about this.

Mr B said Nationwide loaded 'falsely reporting a loss' but the fraud marker company had since changed it to 'fraudulent claim – chargeback'. Mr B said Nationwide not knowing what type of marker it loaded shows there's doubt, so the loading should be removed.

Mr B said he doesn't scrutinise his outgoings like I said, so he didn't notice things on his account for some time.

Mr B said a number of his chargeback claims were successful, so this proves he's not a liar.

Mr B said Nationwide shouldn't be allowed to hold the fraud claim against him as he cancelled it.

And Mr B said the fraud marker company says there must be sufficient evidence for Nationwide to report him to the police, but he doubts the police would get involved.

### **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.

Mr B's explained the impact this fraud marker's had on him, and this is just the first year out of six the loading will be present. I'd like to assure Mr B I've thought really carefully about his complaint and whether the fraud marker should be removed or not.

Mr B's pointed out the fraud marker is now for fraudulent chargeback claims. Because of this I've disregarded the fraud claim Mr B made with Nationwide. Mr B says he cancelled this claim, but Nationwide has no notes to suggest this happened.

Regardless of this, since the loading is to do with fraudulent chargebacks, I'll focus on this part only, using the three online supermarket claims.

Mr B said he made the payments via another bank, and this bank has sent us statements, covering September, October and November 2023.

I can't see a payment to the online supermarket for any of the three months. I don't believe Mr B made a payment from the bank he told us about.

And Mr B's been very clear which bank and mentioned it several times. Mr B also says this bank provides virtual cards, with different numbers, and this is the type of card he used to make the purchases.

Mr B says because the card is virtual, and not his usual card number, he couldn't receive a refund to this card. And this explains why Mr B got a refund to Nationwide even though he was also charged elsewhere.

But I've been to the specific bank's website, and this contradicts what Mr B says, refunds can be made to virtual cards. And this makes sense too, most retailers won't refund to a different card than the one the original purchase was paid on.

Mr B's also unable to supply anything from the online supermarket about what happened, but I think this is less important than Mr B's confirmation he paid from an account he didn't.

I don't think Mr B paid for the online supermarket from another bank. I think Mr B paid once, with Nationwide, then raised a chargeback saying he'd paid another way.

And I think the reason Mr B didn't send further information to Nationwide when he raised the chargebacks was because he couldn't show he'd paid another way.

Since I think Mr B only paid once, with Nationwide, and lied to Nationwide when he said he'd paid another way, this is fraud. Mr B would be obtaining a refund using deception, so although Mr B thinks this doesn't meet the bar for a fraud marker loading, I think it does.

Mr B is right about the high bar, I can generally decide complaints on the balance of probabilities, what's more likely than not to have happened. But with fraud markers there is a higher standard of proof needed.

Specifically for Mr B's complaint I think there's enough evidence to meet this higher standard of proof, and say he fraudulently told Nationwide he'd paid twice for the online supermarket purchases when he only paid once.

Mr B's mentioned he had some successful chargeback claims, and I agree he did. But this doesn't change the three claims he made about the supermarket purchases.

Mr B's mentioned the standard of proof saying Nationwide needs to have sufficient evidence to report things to the police. But recently the fraud marker company has removed this from its standard of proof, the report to the police part no longer exists.

But even if it did, it meant Nationwide only had to have enough evidence so it could confidently report the conduct of Mr B to the police. Nationwide didn't have to report Mr B and the police didn't have to take action.

I think Nationwide's evidence is clear, relevant and rigorous enough to meet the fraud marker company's standard of proof.

I accept Nationwide's original loading was amended by the fraud marker company, and I accept Nationwide couldn't find a loading when Mr B first contacted it. But this poor administration doesn't mean the loading's invalid.

The loading stays or is removed based on Mr B's conduct, and I think Mr B lied when he told Nationwide he'd paid for the supermarket shopping twice.

Mr B's said Nationwide didn't warn him about his conduct. But I don't feel this invalidates the loading either. I wouldn't necessarily expect Nationwide to warn Mr B not to raise fraudulent chargebacks, I'd expect Mr B to not raise them.

And whether Mr B scrutinises his outgoings, or not, doesn't change my thinking around the fraudulent chargeback claims.

I'm very aware of the longstanding and severe effect of a fraud database loading, and this is why the standard of proof is rightly very high.

But the effect itself can't be a reason for its removal. Instead, I would have to be satisfied Mr B didn't intentionally try and chargeback payments he wasn't entitled to dispute, in order for me to say the loading's unfair.

But, because of what I've said above, I'm persuaded Mr B did try and fraudulently claim back shopping he only paid for once, so I think the loading's fair, relevant to the type of fraud Mr B attempted and I won't be telling Nationwide 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 B to accept or reject my decision before 25 April 2025.

Chris Russ  
**Ombudsman**