

The complaint

Mr O has complained National Westminster Bank Public Limited Company lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In May 2024 Mr O's account with NatWest was blocked. This took place after he'd received a credit of £11,900.96 into his account. Mr O had then made four payments of £9,980, £90, £10 and £1,920 to accounts held with another bank. After review NatWest closed Mr O's account and lodged a fraud-related marker on his record with CIFAS.

After Mr O found another bank account he held was being closed, he discovered there'd been a CIFAS marker placed on his record. He asked NatWest to remove the marker. NatWest didn't feel they'd done anything wrong and refused to remove the marker.

Mr O brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. She noted NatWest had never asked Mr O to confirm the origin of the funds after they'd been aware it was potentially fraudulent. However, it was clear that Mr O had no right to this money as the payment had been sent to his account as the result of fraud. She wouldn't ask NatWest to remove the marker.

Mr O disagreed with this outcome. He's asked an ombudsman to consider his complaint.

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 reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous."

So NatWest must be able to provide clear evidence that an identified fraud was being committed and Mr O was involved. This means that they must have more than a suspicion or a concern that Mr O may be involved.

There's also a requirement that NatWest should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by NatWest, although it took some pressing to receive this. This confirms they received a notification from another bank that their business customer had sent £11,900.96 (in euros) to Mr O's NatWest account as the result of an invoicing

scam. Just after this credit, Mr O transferred £12,000 to other accounts held with another bank suggesting he was expecting these funds.

I'm in no doubt that this credit didn't belong to Mr O. An identified fraud had been committed. However, I also need to be satisfied that Mr O knew what was going on when money that wasn't his was being paid into his account.

Mr O has told our service that this money was the result of him selling a car overseas. However, he has been unable to provide any evidence this car he was selling ever existed. We've been given no information about its registration, which Mr O says he can't recall. He's not been able to provide anything showing a transfer of ownership at DVLA, any insurance documents or correspondence with the purchaser apart from an invoice he believes confirms the receipt of funds and another document in Chinese. I suspect that there's a chance Mr O was also involved in a scam based on his reticence to explain what was going on. However, that does mean I believe he was aware that the funds he received were not his. He then transferred these quickly further suggesting he was aware something wasn't completely right.

I note NatWest didn't contact Mr O to question his entitlement to the money at the time of this fraudulent activity. I'd have expected them to have done this, but this fact alone doesn't mean that I should ask them to remove the marker.

I appreciate Mr O believes the time that has passed between the credit, the sale of the supposed car and him getting a new phone has limited his ability to provide the evidence we've asked for. I have considered if NatWest had approached him in May 2024, this issue would have been resolved but overall I don't believe so.

The requirements around banks lodging markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on. In this case I think this most likely exists here from reviewing the payment made into Mr O's NatWest account and seeing what use he made of the funds.

On this basis, I don't believe it would be fair and reasonable to ask NatWest to remove the CIFAS marker. I won't be asking them to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Mr O's complaint against National Westminster Bank Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 3 June 2025.

Sandra Quinn
Ombudsman