

## **The complaint**

Mr G had an account with Nationwide Building Society. Nationwide loaded a marker about him with Cifas, the national fraud database. Mr G is unhappy with the Cifas loading.

## **What happened**

I'm aware Mr G has made other complaints to our service. This decision will focus on Nationwide's decision to load a marker with Cifas. Mr G's other complaints have been dealt with separately.

Mr G had a personal account with Nationwide.

Mr G has explained that he used his account to make online purchases for luxury clothing from a website I will refer to as Y. Mr G said he'd ordered clothing but didn't receive what he'd ordered and received completely different items. He also said some of the items were damaged and soiled. After contacting Y to complaint, Mr G took photographs of the items he'd received, which included photographs of the bar code labels attached to the items. He then returned the items that Y had delivered to him.

Following this, Mr G asked Nationwide to try and get his money back from Y. Mr G told Nationwide he'd complied with the returns process, he could afford everything he'd bought and the evidence he'd submitted showed Y had sent him items he hadn't ordered. So, he didn't understand why he hadn't received his money back.

Nationwide raised disputes through chargebacks. Y contested the chargebacks, arguing the goods Mr G had ordered had been delivered to Mr G, and Mr G had returned different items. Y sent Nationwide photographs of the items Mr G had returned, highlighting that some of the bar code labels had been removed and appeared to have been tampered with. Mr G's chargeback claims were rejected.

Following the rejection of these claims, Nationwide made the decision to close Mr G's account and issue a Cifas marker. Mr G was unhappy the Cifas marker was issued against him, as it impacted his credit score and he was rejected a contract for his mobile phone.

Nationwide provided its response to Mr G's complaint. In it, it said the Cifas marker was applied in line with its processes and procedures after it conducted an account review. It said based on this it didn't agree it should remove the Cifas marker.

Unhappy with Nationwide's response Mr G brought the complaint to our service. One of our investigators looked at the case and didn't uphold it, they considered it reasonable that Nationwide concluded Mr G had been deliberately dishonest in raising the chargebacks. They explained this was on the basis of fraudulent chargebacks being raised, and comments attributed to Mr G that the wrong items were returned by accident not being persuasive.

Mr G disagreed, he says he'd never mentioned he'd returned the wrong clothes by accident, he said he returned clothes for various reasons, including being soiled and damaged, or not what he had ordered. He felt the decision was on the basis of what Nationwide had decided

and not the investigators own judgement, hadn't considered and commented on all the evidence he'd provided, and disagreed that he'd been dishonest.

Mr G also followed up to explain at no point did Y explain to him that the reason it wouldn't process the refund was because the items were not theirs or security tags were tampered with. He explained that Y kept the items they say were incorrect, did not process the refund, and never informed him of the reasons. Mr G does not consider the evidence to be clear, relevant and rigorous, he explained that the pictures Y provided proves that they received items he sent back, but not that they sent him different items.

As no agreement could be reached, the case has come to me to decide.

### **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'm aware I've summarised the events of the complaint and in less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr G and Nationwide has said before reaching my decision.

I would also point out that where the information I've got is incomplete, unclear, or contradictory, I've had to base my decision on the balance of probabilities. I've thought very carefully about whether Nationwide acted fairly in applying the marker to Cifas.

The marker that Nationwide has filed with Cifas against Mr G is intended to record that there's been a 'misuse of facility' – relating to Mr G raising fraudulent chargeback claims. In order to file such a marker, Nationwide is not required to prove beyond a reasonable doubt that Mr G is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. Cifas says:

- *"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; (and)*
- *The evidence must be clear, relevant and rigorous."*

What this means in practice is that a bank will need strong evidence to show that Mr G claim for refunds was fraudulent. A Cifas marker shouldn't be registered against a customer who has acted unwittingly – there must be evidence of a deliberate fraudulent action.

My role is to establish if Nationwide has sufficiently demonstrated it has met the burden of proof set out by Cifas to load the marker against Mr G. Nationwide has provided this service with details of the investigation it carried out following the chargeback claims, and Mr G has provided his evidence and rebuttal to that evidence.

Having reviewed both, it's been evidenced that Mr G has purchased several items over multiple different orders on different days. It's also been evidenced that many of these items were returned, but some of the items received by Y were not the same items that were on the order form. Based on Y's return details form, Mr G's requests for returns was on the

basis that *"I was sent completely different item than the one I ordered"*. So, Y would've been expecting to receive different items to what was ordered.

In response to the dispute Y has provided Nationwide its invoices and order details for the items that were ordered, as well as proof of delivery. It's also provided pictures Y took of the returned goods alongside tags saying that these tags have been tampered with. Suggesting the tags from the original item were switched onto the items that were sent back. Whilst I appreciate Mr G has also sent pictures of the items, he said he received, and he says this shows tags intact. And he's also provided links of their website. Based on all the information above I'm satisfied it was most likely the correct items were sent to Mr G from Y. At some point between the sending of the items, and Mr G taking pictures of the items there appears to have been a switch of some of the items. Here I must weigh up whether it was reasonable for Nationwide to make the assumption that it was Mr G who switched these items and returned them and therefore made fraudulent chargeback claims. Having weighed all the information and evidence available, I don't think it was unreasonable for Nationwide to have reached this conclusion.

I appreciate Mr G's position that Y's evidence does not prove that he received the correct items. But Nationwide aren't obliged to prove beyond a reasonable doubt that this happened. It is required to show clear, relevant and rigorous evidence that supports reasonable grounds to believe a fraud or financial crime has been committed or attempted. Here I'm satisfied, based on all the evidence and arguments provided, that Nationwide has met that standard.

I appreciate Mr G will be disappointed with my decision and I fully appreciate the Cifas marker is having an adverse impact on him. But I'm satisfied Nationwide has acted reasonably in taking this action to discharge its regulatory obligations.

For this reason, I won't be asking Nationwide to remove the Cifas marker.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 October 2025.

Simon Yates  
**Ombudsman**