

The complaint

Ms R is unhappy Nationwide Building Society is holding her liable for the balance of a credit card account that she says was fraudulently opened by her ex-husband.

What happened

In November 2022, Nationwide received a credit card application in Ms R's name, which was approved. The card was later used over a number of months and accumulated a balance which Ms R says she was unaware of until early 2024. She says around this time, she discovered her ex-husband had fraudulently obtained numerous accounts using her personal details.

Ms R contacted Nationwide to report the fraud and asked it to write off the account balance and remove the account from her credit file. But the society declined to do this. Ms R raised a complaint, and Nationwide responded to say the following:

- It had not made an error with its fraud investigation.
- The address, email address and telephone number on the credit card application were already on its records for Ms R.
- The transactions on the account were typical of normal day-to-day spending, including supermarkets and for a water bill.
- A direct debit from Ms R's genuine Nationwide account was set up to make payments to the credit card.
- The spending on the account was not indicative of fraud, and Ms R would've clearly benefited from the transactions, such as the water bill.
- Ms R had access to the credit card account via her existing online banking.

Ms R remained unhappy and referred a complaint to this service where it was considered by one of our investigators. He didn't feel that Nationwide should hold Ms R liable for the credit card balance, as he didn't believe Nationwide had evidenced that she had applied for the account herself. As such, he recommended that it write off the account balance, remove it from Ms R's credit file, apply Ms R's details to a fraud prevention database and pay her £150 compensation.

Ms R accepted the investigators findings. But Nationwide did not. It said the IP address used to make the application was local to Ms R's home address. The email address and telephone number provided in the application were genuine for Ms R, the card was issued to the address she lived at, payments to the account were made from Ms R's own Nationwide account which was never overdrawn, and the credit card transactions would've mutually benefited both her and her ex-husband. It said it believes Ms R was aware of the account and therefore should be held liable for the outstanding balance.

As no agreement could be reached, the complaint was passed to me to decide. I issued a provisional decision on 8 May 2025 that said the following:

Firstly, I'd just like to say how sorry I was to hear about what happened to Ms R. She's clearly experienced a lot following the discovery of the actions of her ex-husband, and I really do sympathise with the situation she's found herself in. That said, I must reach this provisional decision based on what I consider to be fair and reasonable to both parties in the circumstances of this complaint. And, when an account is taken out by someone other than the person named on the account, that doesn't automatically mean that they can't be held liable for any outstanding balance. What I'm required to consider in the context of this decision, is whether Nationwide has treated Ms R fairly by concluding that she should be responsible for the credit card balance remaining.

I'm aware Ms R reported multiple fraudulent accounts to other financial providers, and they've taken the decision to write off the outstanding amounts. Whilst they've all decided to take that approach, their actions have no bearing on my decision about Nationwide.

Ms R has explained that at the time of the credit card application, her and her ex-husband were living together, and followed what she considered to be normal financial behaviour for a married couple. That is, she trusted him with all her personal details, and all passwords for her accounts were on 'auto fill' on a device they shared. So, whilst she didn't give him explicit permission to access her accounts, he could've easily done so as a result of this. Also, both Ms R and her ex-husband took care of household bills and general shopping. But because Ms R worked many hours, her ex-husband would often take care of things as she'd get home late.

The above is important, because I've considered the activity on the credit card account, and there is no getting away from the fact that Ms R would've likely benefited from a large majority, if not all, of the credit card transactions in some way. For example, transactions to multiple supermarkets, takeaways, meals at restaurants, cash withdrawals (which could've also been used to purchase household items), and payments to a water bill. And, some transactions were paid to a catalogue account that Ms R has confirmed as her own, but explained that her ex-husband had would use it to place orders for himself with the understanding that he'd pay it back using his own money. Now, Ms R has discovered he used the Nationwide credit card (and likely others) to do so instead. I realise that Ms R believed her ex-husband was earning his own money and the household expenditure that I've noted above was being paid for out of his own pocket (rather than multiple credit card accounts, including this Nationwide one in her name), but I need to decide if its reasonable for Nationwide to be responsible for refunding transactions that Ms R has accepted she had some benefit of. Given the nature of the transactions, and the length of time, it's not going to be possible for me to make a reasonable distinction between what specifically benefited her, and what didn't. I see that this would be beyond the scope of our service's remit as a quick and informal alternative to the courts.

Nationwide has explained that payments to the credit card were made from Ms R's own Nationwide current account. Ms R accepts this was the case, but told us that it wasn't her main account. As such, she only paid money into it to cover three direct debits, and never

monitored the account activity, assuming everything was running smoothly. I accept Ms R's explanation as to why she wasn't aware of the Nationwide credit card account or its activity (as it would've been clearly displayed if she'd logged on to Nationwide's online/mobile banking). But regardless of why she didn't check, I see that it would be reasonable for her to do so. Once a month would've been reasonable, especially as Ms R was aware her mobile phone direct debit sometimes went unpaid.

Having thought carefully about everything available for this complaint, and the detail that Ms R has told us about her ex-husband's actions, on balance, I accept Ms R didn't apply for this credit card account herself. I note Nationwide's comments that all of her personal details were correct on the application – but as she's named her ex-husband as the person who made the application, the fact her details were all correct isn't surprising. Ms R has told us that she has now divorced her ex-husband, but there is nothing under the divorce that would cover this credit card debt.

A customer can't be held to the terms of a credit card agreement they didn't enter into or was entered into by someone else without their consent. However, as I've found that Ms R would've had benefit from some, if not all, of the disputed transactions from what she has herself described as 'normal financial behaviour for a married couple,' I don't think it's reasonable to direct Nationwide to write off the outstanding balance of the credit card. But, I do find it fair for Ms R to repay the outstanding balance, minus all interest and charges. I also find that Nationwide should remove details of the credit card from Ms R's credit file.

Ms R responded and asked if I would consider an alternative resolution. She said she understood my point about her benefiting from the credit card transactions, however they were still made without her knowledge. She asked if Nationwide would meet her halfway, and thought a fairer resolution is that she'd pay half of the outstanding balance, minus interest and charges.

Nationwide responded to say that it felt my provisional decision was fair. And would not be agreeable to Ms R's proposal to pay only 50% of the outstanding balance as outlined above. It said that it was happy for Ms R to pay the full outstanding balance, minus £564.98 interest. It said it would make attempts to amend Ms R's credit file, but this will need to be done manually, so it is not guaranteed to reflect the changes until the balance is cleared and the account closed.

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've thought about Ms R's proposed resolution. Whilst I can appreciate her comments, I remain of the position as outlined within my provisional decision. I accept that Ms R didn't apply for the credit card account herself, but would've benefited from some, if not all, of the disputed transactions. However, I also think it would've been reasonable for her to have discovered the existence of the credit card shortly after it was opened. Which in turn would've most likely prevented a large amount of the transactions from taking place.

I already said in my provisional decision that whilst I accept Ms R's explanation as to why she wasn't aware of the Nationwide credit card account or its activity before early 2024 when she contacted Nationwide's fraud department, I find that it would've been reasonable of her to check her Nationwide current account once a month. This is especially as Ms R was aware her mobile phone direct debit sometimes went unpaid. Had she done this, the credit card direct debit would've been clearly displayed and on balance, I find she would've been

made aware of the credit card shortly after it was opened and could've reported the fraudulent application to Nationwide at the time.

Therefore, having reconsidered the evidence available, I remain satisfied with the conclusions reached in my provisional decision.

Putting things right

For the reasons explained above, I require Nationwide to:

- Re-work the credit card account to remove all interest and charges applied since the account opening.
- Only pursue Ms R for the remaining balance after that amount has been removed.
- Remove any reference of the credit card account from Ms R's credit file.

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 26 June 2025.

Lorna Wall
Ombudsman