

The complaint

Mr H complains about the personal information that Nationwide Building Society requested from him for his credit card account.

What happened

Mr H has a credit card account with Halifax and he says that when checking his account balance on his banking app he was prompted to validate his identification and he was asked to confirm his salary and tax status. He says that he feels that is unnecessary and goes against data protection standards.

He complained to Nationwide and it said:

"To align with the Money Laundering Regulations of 2017, as a society we are required to hold certain pieces of information about our members. All financial institutions are required to collect and keep this information up to date. By collecting and validating certain pieces of information, Nationwide can confirm our members are who they say they are, which helps us to keep them, their data and their money safe.

Currently we are asking members to provide this information when they make contact with us - in person or over the phone - or when they log onto their Digital Banking. Once updated, this information will not need to be collected again until a future date, currently 1 ,3,or 5 years.

I appreciate how being asked these questions may have made you feel, and I apologise for this, however I would like to reassure you that this information will not be shared with third parties. We will ask our members to provide this information as and when we need to update their details, this means you could be asked to provide this at a at a different time from another member".

Mr H wasn't satisfied with its response and complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She didn't agree that Nationwide had acted unfairly and she said that it had acted in line with its terms and conditions when requesting personal information from Mr H. She also said that it's required to collect details from Mr H in order to comply with legal and regulatory requirements.

Mr H didn't accept the investigator's recommendation and has asked for his complaint to be reviewed by an ombudsman. He says that he only holds this credit card with Nationwide which he uses consistently and at nominal values. He says that there's a clear requirement to only collect relevant data and he's not been provided with any form of justification as to why his tax status is relevant in this situation. He says that if Nationwide can't confirm why this information is relevant then it has no right to seek the data. Her says that he provided his salary information when applying for the credit card and if he needs support or a new product he would provide it again but in the meantime it's no longer Nationwide's business.

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.

Nationwide provided a final response to Mr H's complaint, the majority of which I've set out above. It says that it's required to collect and keep up to date certain pieces of information about its members. "*Know your customer*" requirements also require Nationwide to verify the identity, suitability, and risks involved with maintaining a financial relationship with a customer. I consider that Nationwide's final response was a fair and reasonable response to Mr H's complaint.

The credit card agreement for Mr H's account says: "*We may ask you to provide us with information to help us meet our anti-money laundering, financial crime, sanctions and other legal and regulatory requirements. If you don't give us this information promptly, this may result in us delaying or not processing your payments or blocking access to your account*".

I've not seen any evidence to show that Mr C has suffered a financial loss or detriment as a result of the information that Nationwide asked him to provide. If he didn't want to provide information about his income and tax status to Nationwide he could have asked it if it would accept any other information from him and he could have closed his account.

I'm not persuaded that there's enough evidence to show that Nationwide acted incorrectly by asking Mr H to provide information about his income and tax status. He says in his complaint form that he'd like any sanction for not providing the requested information paused and to be appropriately compensated for his time. The credit card agreement says that Nationwide may delay or not process Mr H's payments or block access to his account if he doesn't provide it with information to help it meet its legal and regulatory requirements. I don't consider that it would be fair or reasonable for me to require Nationwide to pause any sanction that it might otherwise take against Mr H for not providing the requested information. Nor do I consider that it would be fair or reasonable for me to require Nationwide to pay any compensation to Mr H for his time in dealing with this issue.

It's clear that Mr H feels strongly that Nationwide shouldn't be able to ask him for information about his income and tax status so I appreciate that my decision will be disappointing for him. I find that it wouldn't be fair or reasonable in these circumstances for me to require Nationwide to take any action in response to Mr H's complaint.

My final decision

My decision is that I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 July 2025.

Jarrold Hastings
Ombudsman