

## **The complaint**

Mr R complains Nationwide Building Society recorded a marker against him on a fraud database. He doesn't think it's treated him fairly.

## **What happened**

A summary of what happened is below.

Mr R had an account with Nationwide. In April 2024, it was credited with a payment from a third-party, through a bank transfer. However, the payment was later reported as fraudulent to Nationwide.

Nationwide restricted the account and requested information to support why Mr R had received the payment and was entitled to the funds. He said the payment was in relation to a cryptocurrency trade he'd done.

Nationwide reviewed this but didn't think it was satisfactory evidence in explaining things. It filed a misuse of facility marker at Cifas, as it believed Mr R had been complicit in receiving fraudulent funds. It also closed his account.

Mr R found out about the marker and complained that he'd not done anything to cause this. He reiterated that the payment was sent by buyers of USDT and was compensation for the assets (USDT) that he'd delivered to them, in accordance with the crypto platform terms. He said the payment was wrongly being disputed because of a fraud, despite the buyer having already received the assets. Mr R attached screenshots with transaction details.

Nationwide reviewed this information but didn't think it had made a mistake in the steps it had taken. Dissatisfied, Mr R contacted us. He said he hadn't had any proper justification for the fraud marker, and it was affecting him financially and personally.

One of our investigators looked at the case and gathered evidence. She acknowledged what Mr R had said and provided but she didn't find the information related to the payment that was the subject of the fraud report. She agreed with Nationwide's analysis, that Mr R's information related to two separate transactions and not for the single payment. The amount was also different and the sending bank details. Given this, she was satisfied Nationwide had met the bar for loading the fraud marker and there wasn't a basis for removing it.

Mr R maintained the information did show why he'd received the payment. He said he'd fulfilled his obligations by delivering the assets, and now, after the fact, the buyers were attempting to falsely claim that he wasn't entitled to the funds. When the investigator didn't change her mind, the case was put forward for a decision.

## **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.

This includes the information provided after the investigator's outcome letters.

My review addresses the fraud marker.

I'm sorry to disappoint Mr R but I'm not upholding his complaint, and I'll explain why.

The marker that Nationwide has filed is intended to record that there's been a 'misuse of facility'— relating to using the account to receive fraudulent funds. To file such a marker, it's not required to prove beyond reasonable doubt that Mr R is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. The relevant guidance 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 the business must first be able to show that fraudulent funds have entered Mr R's account, whether they are retained or pass through the account. Secondly, the business will need to have strong evidence to show that Mr R was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. This can include allowing someone else to use their account to receive an illegitimate payment. But a marker should not be registered against someone who was unwitting; there should be enough evidence to show complicity.

To meet the standard of proof required to register a fraud marker; the business must carry out checks of sufficient depth and retain records of these. This should include giving the account holder the opportunity to explain the activity on their account to understand their level of knowledge and intention.

So, I need to decide whether I think Nationwide has enough evidence to show fraudulent funds entered Mr R's account and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

Nationwide has provided evidence that it received a report, saying that funds which entered Mr R's account was because of a fraud/scam. Looking at what was reported, I'm satisfied the building society was alerted to a possible scam and needed to make enquiries to meet its regulatory obligations to investigate such matters.

Upon receipt of the fraud report, Nationwide contacted Mr R. It asked him to explain why he'd received the payment. The response it got back was that the money was from a crypto trade. Nationwide didn't find this satisfactory and decided to load the marker. It also decided to retain it, after reviewing the case following Mr R's complaint and further information.

I've looked at the circumstances and I don't find Nationwide's position unreasonable. This is because the transaction information Mr R has provided doesn't align with the payment that came into his account. That was one payment, but the information Mr R has provided relates to two transactions and for a different amount. There also isn't any corroborating evidence to show Mr R had engaged in a trade with the *sender* of the payment and there's been a dispute.

Ultimately, my role is to look at what both sides have provided and consider the weight of the evidence. Here, although Mr R has attempted to explain things, the information wasn't satisfactory to Nationwide. There are discrepancies in the evidence that don't directly link it to the payment that came into the account and there's not enough persuasive evidence to support that these funds had been legitimately obtained.

In conclusion, I'm satisfied Nationwide had enough information to support its actions, with the report it received, the account activity and the responses Mr R has given. It follows that I don't find its actions were unfair to record the marker or maintain it. This means that I won't be requiring any further action to resolve this complaint, and as this is also the final stage of our process, my decision completes our review of matters.

### **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 R to accept or reject my decision before 11 November 2025.

Sarita Taylor  
**Ombudsman**