

The complaint

Mr D complains that Nationwide Building Society closed his account and unfairly registered a marker about him at Cifas, the national fraud database. He is also unhappy that Nationwide have not released his closing balance and the service he received.

What happened

Mr D opened a current account with Nationwide in October 2024 and deposited money into the account from work he says he'd done. Not long after opening the account Mr D applied to open a credit card account.

Nationwide reviewed Mr D's application. As part of the review Nationwide carried out checks with credit reference agencies, including Cifas. Nationwide discovered that other markers were registered against Mr D, his address and date of birth. The markers indicated that fraudulent identity documents had been used by Mr D to apply for financial products in November 2024.

Nationwide reviewed the identity documents Mr D had provided when he opened his account and weren't satisfied they were genuine. Following this Nationwide took the decision to close Mr D's account immediately on 4 December 2024. At the time the balance of the account was just over £2,200. Nationwide also decided to place a fraud marker against Mr D's name with Cifas.

Mr D discovered that his account had been closed when his bank card was declined. And that Nationwide had placed a fraud marker against him when he checked his credit file. Mr D contacted Nationwide and asked for his closing balance to be released. He also asked Nationwide to remove the marker.

In response, Nationwide said it hadn't done anything wrong when it had closed Mr D's account. And said it wasn't willing to remove the marker. Nationwide also told Mr D that he could collect his balance by visiting a branch with identification. And provided proof of his entitlement to the funds.

Mr D visited a branch and told Nationwide that the money in his account was what he'd been paid for work he'd done. And he provided an invoice to support his explanation. After reviewing everything Nationwide declined to release the funds. Mr D then visited different branches trying to access his money, which was declined.

Mr D complained to Nationwide. He said there was nothing wrong with the documents he had provided and the money in his account had been earned legitimately by him. Nationwide reviewed everything including what Mr D had told them. After doing so, it said it hadn't made a mistake when it had recorded the marker and closed Mr D's account.

Nationwide said it would be happy to release the account balance to Mr D if he provided proof that the money belonged to him. Nationwide accepted that it shouldn't have told Mr D to visit a branch to collect his balance. It accepted that this had caused him inconvenience. To put things right it paid Mr D £250.

Mr D remained unhappy and brought his complaint to our service. One of our investigators reviewed matters but she didn't think Nationwide needed to do anything – she couldn't see how a third party could have obtained the level of information/ verification details used to apply for the account without Mr D's knowledge or involvement. And she noted Cifas was also satisfied with the loading.

Mr D didn't agree. He maintained he hadn't provided any false documents. And wants his account balance. The investigator remained of the view Nationwide hadn't treated him unfairly based on the evidence.

As no agreement could be reached the matter 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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Nationwide has treated Mr D fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarized the events in this complaint in far 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 focused 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. But I have read all Mr D's submissions.

Cifas marker

The marker that Nationwide filed with Cifas against Mr D is intended to record that there's been identity fraud where false identity documents have been used to open accounts. In order to file such a marker, they're not required to prove beyond reasonable doubt that Mr D is guilty of a fraud or financial crime, but they 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.*

This means that a member cannot load a marker based on mere suspicion. It must have clear and robust evidence to support that a financial crime has been committed or attempted, and that the person it intends to load the marker against had witting involvement. It does not however, need to go as far as proving this beyond all reasonable doubt.

Here Nationwide and Cifas have provided detailed and thorough technical data in its submissions concerning the documents Mr D provided when applying for an account with Nationwide. And had used altered documents in applications with other businesses in his and in another individual's name.

Nationwide says that the information it has provided our service support the likelihood that Mr D was responsible or involved in making multiple applications for accounts using suspected falsified documents. Cifas has deemed these applications to be fraudulent, as it's likely there has been some form of misrepresentation when making them.

Having considered this evidence, I'm persuaded Nationwide has demonstrated it met the bar to load a marker against Mr D's name.

While I'm unable to share the intricate details of the information Nationwide has provided our service, I would like to assure Mr D that this has been considered carefully. The evidence Nationwide and Cifas has provided gives strong indication that numerous accounts and applications were made in two different names using the same identity document Mr D used to open his Nationwide account, including his address and date of birth.

Mr D has maintained that there is nothing wrong with the identity documents he provided to Nationwide. And that he hasn't committed identity fraud. I've considered whether Mr D was the likely victim to some form of identity theft, but I have no evidence to support this. Based on the evidence I'm satisfied that there is sufficient linkage to Mr D and the other applications. The evidence shows that it was Mr D's driving licence that was captured for the applications. I can't see how a third party could have gone through this whole process without Mr D's knowledge or involvement. I don't find what Mr D's said persuasive considering all the available evidence and how Nationwide's account application process works.

Having weighed everything up, I don't think Nationwide has done anything wrong. I think it had reasonable grounds to record the marker. And this is further supported by Cifas's own decision that it doesn't consider the loading to be incorrect. It follows that I won't be requiring Nationwide to remove the marker.

Account closure

It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank or financial business must keep customer or require it to compensate a customer who has had their account closed.

Nationwide have relied on the terms and conditions when closing Mr D's account. I've reviewed the terms, and they explain that Nationwide can close an account for any reason by giving two months' notice. In certain circumstances, Nationwide can also close an account without notice, which is what has happened here.

For Nationwide to act fairly here they needed to meet the criteria to apply their terms for immediate closure. I know Mr D is upset that Nationwide closed his account. But having looked at all the information available to me, including Nationwide's actions and the information it's provided to this service in confidence, I'm satisfied that Nationwide had sufficient grounds to close Mr D's account and did so in line with the terms and conditions of the account. So, I can't say Nationwide has treated Mr D unfairly when it decided it no longer wanted him as a customer and closed his account immediately.

The crux of Mr D's complaint is that he wants the funds in his account, which is around £2,000 returned to him. It seems Nationwide is willing to release the money to Mr D. But in order to do so Mr D has to complete Nationwide's verification process, which I don't find unreasonable.

I can see that Nationwide has clearly explained this to Mr D on more than one occasion. And told him that this process is its standard procedure. So, I'm satisfied that Mr D understands what he needs to do in order to satisfy Nationwide's request. I'm also satisfied that Nationwide has these processes in place in order to comply with its legal and regulatory obligations when providing accounts to customers. So, I can't say Nationwide have done anything wrong by asking Mr D to provide the documents and verify his identification in order to complete this process.

I appreciate that Mr D has supplied Nationwide with several documents on at least two separate occasions. And that not having access to the funds has made things difficult for him financially. But I can also see that Nationwide has told Mr D what he needs to provide in order for the funds to be released to him. Nationwide has also confirmed that the documents provided by Mr D to date aren't acceptable. Having looked at the documents I don't think that's unreasonable. This means I won't be directing Nationwide to release the money held in the account back to Mr D. So, it's up to Mr D to now provide the information necessary in order to be sent the funds

In summary, I recognise how strongly Mr D feels about what's happened. I don't doubt it has been a frustrating and worrying time. So, I realise Mr D will be disappointed by my decision. But overall, based on the evidence I've seen, I can't say Nationwide have acted unreasonably and treated Mr D unfairly in taking the actions it did. So, I won't be asking Nationwide to do anything more to resolve Mr D's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 October 2025.

Sharon Kerrison
Ombudsman