

The complaint

Mr J has complained Nationwide Building Society wouldn't refund disputed gambling transactions and then lodged a fraud-related marker on the industry fraud database, CIFAS.

What happened

On 8 July 2025, Mr J contacted Nationwide. He'd been alerted after his wife had tried to make a transfer. There were four transactions to an online gambling company (who I'll call B) which Mr J hadn't authorised. He asked Nationwide to refund him.

Nationwide wouldn't refund Mr J. They'd contacted the gambling merchant and considered their evidence showed Mr J had made these transactions. As they believed Mr J had made a fraudulent claim, they also lodged a CIFAS marker and told Mr J they'd be closing his account. As Mr J's account was overdrawn, he'd have to make arrangements to repay what was owed.

Mr J felt he'd been treated unfairly and brought his complaint to the ombudsman service.

During the time his complaint was at our service, B had contacted Mr J and confirmed his gambling account had been compromised. They'd set up another account in his name with alternative security. He'd been credited with £601 that had been made without his authorisation in July. They also informed Nationwide who removed the CIFAS marker in October.

Mr J believed he was due compensation based on our service's guidelines around what was fair and reasonable.

Our investigator considered this. She felt that Nationwide had made an error in not reviewing the evidence B had provided to substantiate their claim Mr J had authorised the transactions. She also considered that a CIFAS marker was a considerable step for them to have taken. She asked Nationwide to pay Mr J £350.

Mr J accepted this outcome. Nationwide didn't. Mr J's complaint has been referred to an ombudsman for decision.

I completed a provisional decision on 19 December 2025 as I felt that more compensation should be paid to Mr J because of the impact of Nationwide's decision.

Mr J accepted this outcome but wished to ensure that Nationwide would also remove overdraft charges and associated fees that related to the £601 which Mr J had never authorised.

Nationwide wouldn't accept this outcome as they felt that they couldn't be responsible for B's erroneous information.

I now have all I need to complete my final 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.

Having done so, I still believe a slightly increased amount of compensation should be payable. I'll explain why.

The first aspect I have reviewed is the decision Nationwide made to accept at face value the evidence B gave to them. Unfortunately, a simple review would have indicated something didn't stack up. Mr J's normal device – which he'd used to access his account with B previously – was not used. The IP addresses were masked by VPN and browsers were located in a different country.

More oddly I note that Nationwide didn't seem to believe Mr J despite him never having made a previous fraud claim in his years as a Nationwide customer. Whilst it may be irregular that gambling fraud is committed as it's generally believed there is no gain as winnings are paid back to the same card, this seems to ignore the threat of organised fraud. Mr J provided a reasonable amount of evidence to back up his original claim, which Nationwide chose to ignore. This included evidence of a discussion with his local police force which backs up Mr J's claim.

I note Nationwide argues that all they did was act on B's information. But as I point out above, I feel they could have done more to interrogate what they'd received.

Our investigator felt that Nationwide should pay Mr J £50 for this error. I believe their fault is more egregious and that £150 is fairer particularly when I consider the impact this has had on Mr J.

Like our investigator I believe Nationwide should also provide compensation for the impact of an erroneous CIFAS marker. I also think £300 is fair and reasonable. I did consider whether more would be appropriate as the account closing and CIFAS marker are both linked and have resulted in Mr J being chased for a debt. However, overall, the CIFAS marker was only on Mr J's record for three months. I believe £300 is fair.

As Mr J has been refunded by B, I expect Nationwide to ensure that there are no fees or charges linked to any overdraft related to the unauthorised transactions.

My final decision

For the reasons given, my final decision is to instruct Nationwide Building Society to:

- Ensure that there are no fees or charges linked to any overdraft as a result of these unauthorised transactions; and
- Pay £450 to Mr J in total for the errors Nationwide made,

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 9 February 2026.

Sandra Quinn
Ombudsman