

THE COMPLAINT

Mr A's complaint is about Nationwide Building Society ("Nationwide").

Mr A is represented in this matter. However, where appropriate, I will refer to Mr A solely in this decision for ease of reading.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

On 13 December 2024, a £5,153.95 card payment was made to a car insurance provider called, Peacock, from Mr A's Nationwide account (the "Transaction"). Mr A told Nationwide he had not authorised this payment, explaining that the only car insurance payment he made was £6,258 to Simply/PIB on 19 December 2024. Nationwide opened a fraud investigation and obtained evidence from Peacock. After reviewing it, Nationwide concluded that Mr A had authorised the Transaction. Consequently, Nationwide filed a Cifas marker against Mr A and closed his account.

Mr A disputed the above with Nationwide. When Nationwide refused to reimburse him, he raised a complaint, which he then referred to our Service.

One of our investigators considered the complaint and upheld it in part. The investigator found that Mr A had authorised the Transaction, but that Nationwide should not have applied the Cifas marker. The investigator therefore directed Nationwide to remove the marker and pay Mr A £500 in compensation. Mr A accepted this. Nationwide agreed to remove the marker but refused to pay the compensation.

Given Nationwide's position, this matter has now been passed to me to make a decision.

WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion he did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 (“the PSRs”).

Key findings

Authorisation

Nationwide’s position is that Mr A authorised the Transaction. The investigator reached the same conclusion. Mr A accepted that assessment. Given the parties’ positions, it is unnecessary for me to address authorisation of the Transaction in great detail.

In short, based on the evidence before me, I am satisfied that, on the balance of probabilities, Mr A authorised the Transaction for the purposes of the PSRs. However, even if that is so, I consider it important to understand how this authorisation came about, which I address below.

CIFAS marker

Grounds

The marker that Nationwide has filed with Cifas is intended to record that there has been a ‘misuse of facility’. In order to file such a marker, Nationwide is not required to prove beyond reasonable doubt that Mr A is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. Cifas states, amongst other things:

- *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.*

Applying the grounds

I should make clear that, even if it is likely Mr A authorised the Transaction, it does not automatically follow that Nationwide was justified in filing the Cifas marker. The grounds set out above still needed to be met.

It is not entirely clear how the authorisation of the Transaction came about. It may have been a genuine mistake on Mr A’s part, or the result of him being scammed. However, I am satisfied that Mr A did not make fraudulent representations to Nationwide when he contacted it about the Transaction in seeking a refund. In reaching this conclusion, I have taken into account the following factors:

- In several telephone calls between Mr A and Nationwide’s agents, Mr A

appeared genuinely confused about how the Transaction had been made.

- Mr A contacted Nationwide multiple times, and on each occasion, he was candid and his testimony remained consistent. The same can be said regarding his submissions to this Service.
- In Mr A's first call, the agent said she would treat the case as a chargeback once Mr A had tried to resolve matters with Peacock. However, during a subsequent call, a different agent instead raised a fraud claim.
- Mr A said he had always been insured by Simply/PIB, something one of Nationwide's agents acknowledged. It should therefore have appeared unusual to Nationwide that his insurance had suddenly switched to a new provider – particularly when the Simply/PIB insurance premium was higher than Peacock's.
- I cannot see what benefit Mr A would have gained by purchasing more expensive insurance from a new provider, cancelling it shortly afterwards, and then returning to the provider he had always used. This does not support the proposition that Mr A was acting fraudulently.
- Mr A requested a refund from Peacock, which they partially provided.

I acknowledge the evidence Nationwide received from Peacock, including Mr A's driving licence and personal details which matched Nationwide's records. However, I have weighed this against the factors outlined above, which indicate, to my mind, that Mr A was not acting fraudulently. Having done so, I find that Nationwide acted too hastily in filing the Cifas marker.

I think Nationwide should have given Mr A a better opportunity to explain the Transaction in order to better understand his level of knowledge and intention. I am not persuaded that the evidence Nationwide relied on was sufficient to establish reasonable grounds for believing that an identified fraud or financial crime had been committed or attempted by Mr A. In my view, the evidence was not clear, relevant or rigorous.

Accordingly, I conclude that Nationwide ought not to have filed the marker with Cifas.

Compensation for distress and inconvenience

When assessing compensation, I have taken into account the distress and inconvenience Mr A suffered as a result of both the filing of the marker and Nationwide's decision to close his account.

As the investigator stated, I cannot be sure that Mr A's health issues were a direct result of Nationwide's actions, although it is fair to say those actions would have likely exacerbated matters.

In any event, I am satisfied that £500 compensation is fair in this case. I have no doubt that the filing of the marker – which has been in place since December 2024 – together with the closure of Mr A's account and the obvious impact of those actions,

caused him significant distress and inconvenience.

MY FINAL DECISION

For the reasons set out above, my final decision is that I partially uphold this complaint. Therefore, I direct Nationwide Building Society to:

- Remove the Cifas marker(s) loaded against Mr A (if it has not done so already); and
- Pay Mr A £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 April 2026.

Tony Massiah
Ombudsman