

Complaint

Mr K complains that National Westminster Bank Plc recorded a Credit Industry Fraud Avoidance System (CIFAS) marker against his name. CIFAS is one of the UK's fraud prevention agencies.

Background

In April 2019, the following transactions took place on Mr K's NatWest current account:

Date	Amount	Debit/credit	Transaction
09/04/19	£6,705	Credit	CHAPS transfer
09/04/19	£6,705	Debit	Online banking transfer
29/04/19	£2,705	Credit	CHAPS transfer
30/04/19	£2,705	Debit	Online banking transfer
20/05/19	£9,410	Credit	Automated credit

As well as a current account, since 2015, Mr K had opened nine instant saver accounts with NatWest. When the credits were received, four of these savings accounts were still open.

The online banking transfers were made to an account in Mr K's name with another bank.

The payments into the account were later reported to NatWest to be fraudulent. NatWest then gave notice to close all of Mr K's accounts and it recorded a marker against his name with CIFAS.

Mr K said he didn't know anything about the transactions and that he didn't make the transfers out to his other account. He also said he didn't open the instant saver accounts and that he's been a victim of identity theft. When NatWest told him the transactions had been reported as fraudulent he arranged to pay the money back.

But NatWest wouldn't remove the CIFAS marker, so Mr K brought his complaint to us.

Our investigator didn't recommend that the complaint should be upheld. She concluded that NatWest had closed the accounts in line with its terms and conditions and that, based on the information she'd seen, the CIFAS marker hadn't been incorrectly recorded.

Mr K didn't agree saying, in summary, that:

- He never acted fraudulently on the account. As soon as NatWest told him about the transactions, he tried to resolve the issue but found NatWest would not help him. He could have kept the money, but arranged to repay it.
- He's never been involved with any kind of fraud and has had no problems with any of his other bank accounts.
- He may have been negligent in failing to secure his accounts and in not closing accounts that he wasn't using, but this isn't enough to deserve a CIFAS marker. The marker is having an impact on his life and he's worried he will lose his job.

My provisional findings

I agreed with the investigator, but gave both parties a final opportunity to provide further evidence. I set out why I didn't think the complaint should be upheld as follows:

I'm satisfied that the payments into Mr K's account were as a result of fraud. Their own banks will have investigated those payments before reaching that conclusion and reporting this to NatWest. Mr K may not necessarily have been involved in this. But he says he had no knowledge of the withdrawals either.

The withdrawals were made using Mr K's online banking log in. And the money was transferred to an account in Mr K's name. In responding to our investigator, Mr K said he may have been negligent in failing to secure his accounts. But he's not explained what he means by this. He didn't report to NatWest, or tell us, that his online banking security information had been compromised. I've not seen evidence to show how a third party might have been able to access Mr K's accounts without him knowing. And even if a third party did make the transfers without Mr K's authority, in all likelihood they would have transferred the money for their own benefit. There is no reasonable explanation as to why they would transfer the money to an account in Mr K's name.

Taking into account these transactions, and the history of the conduct of the various accounts, I don't think NatWest acted wrongly in closing Mr K's accounts. I'm not persuaded that Mr K's account of events is accurate. I think he knows more about what happened than he has told NatWest or our service. In the circumstances, I am satisfied that there was enough evidence for NatWest to place a CIFAS marker against his name.

I have taken into account the impact that this has had on Mr K and thought about the fact that he made arrangements to return the fraudulent payment. But this doesn't make a difference to my conclusion. I don't think that his decision to return the payments changes his likely involvement in the fraudulent transactions.

Neither party responded to my provisional decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As neither party has provided any additional evidence or information, I find no reason to depart from my earlier conclusions.

My final decision

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 K to accept or reject my decision before 10 April 2020.

Elizabeth Dawes
Ombudsman