

Complaint

Mr Q complains that Nationwide Building Society closed his account and recorded a CIFAS marker against his name. He says this meant he couldn't work because he couldn't open a bank account. CIFAS is one of the UK's fraud alert services.

Background

Nationwide closed Mr Q's account in May 2018 following a fraudulent credit. Nationwide allowed him to open another account, but shortly afterwards closed it and told Mr Q he could no longer bank with it.

Mr Q said he struggled to open an account elsewhere and complained. Nationwide stood by its decision to close his account. But, during its complaint investigation, Nationwide decided that it had wrongly recorded a CIFAS marker against Mr Q. It apologised, arranged to remove the marker, and paid Mr Q £250 compensation.

Our investigator thought Nationwide had done enough to put things right. But she invited Mr Q to provide more evidence to show how the marker had impacted on him.

Mr Q provided some further information regarding the fraudulent credit. And he summarised that his complaint was about:

- The fact that the marker was on his file for over 12 months.
- He phoned Nationwide on numerous occasions, but it didn't identify that it had made a mistake until he complained.
- The way his account was closed. And the way Nationwide allowed him to open another account, but then closed it.

My findings

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

The decision to close Mr Q's account

Nationwide wrote to Mr Q on 1 May 2018 to tell him that, following a review of the activity on his account, it had closed it. This was in line with the account terms and conditions which say:

"We may close your account immediately if:

*a) you have knowingly used, or attempted to use, your account for illegal purposes;
..... You will be given notification of closure in writing, and closure will take immediate effect."*

From the information Nationwide has provided, I can see that it had a number of concerns about the operation of the account. And that it had received information from a third party which would have led it to conclude that some transactions on the account may have been fraudulent. I think it had enough information to close the account without notice.

The CIFAS marker

Nationwide recorded a CIFAS marker against Mr Q in May 2018. During its investigation of Mr Q's complaint, it decided this had been a mistake. It removed the marker. I accept it's quite possible that the marker stopped Mr Q from opening an account with another bank. But he's not provided evidence to show this was the *only* reason he couldn't open an account. He's not told us how many applications he made or which banks he tried. And whilst I accept it would be difficult for him to continue with his self employment without a bank account, there are some providers who will accept applications from individuals with a CIFAS marker.

I find that the CIFAS marker will have had *some* impact and I think this is fairly reflected in the £250 compensation already paid by Nationwide.

I can see some confusion was caused because Nationwide allowed Mr Q to open another account. But it had told him that his application might initially be accepted and then the account could be closed after a credit check had taken place. And this is what happened. I don't find Nationwide did anything wrong here, so this doesn't make a difference to my conclusion.

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 Q to accept or reject my decision before 28 March 2020.

Elizabeth Dawes
Ombudsman