

The complaint

Mr P complains that Nationwide Building Society sent his personal information to an incorrect address which led to his identity being stolen.

What happened

In July 2021, Mr P - an existing Nationwide customer - applied for a mortgage account with it. He says at the time of his mortgage application, he changed his old address to his current address (the address on the mortgage application). Around August 2021, Mr P says he visited his local Nationwide branch where he converted his joint account to a sole account and confirmed his current address with the branch staff. Mr P says he also made a claim on his home contents insurance and during the claims process, he used his current address. Mr P says he's received mortgage statements to his current address since August 2021.

Around June 2022, while working abroad, Mr P noticed a number of credit applications were taken out in his name (as he regularly checks his credit score). He also noticed fraudulent direct debits had been set up on his Nationwide current account. Mr P contacted Action Fraud along with all relevant parties to report the matter. Mr P says it wasn't until a conversation with Nationwide that it disclosed it had sent documents containing his personal data to his old address. In the following months, Mr P had to contact multiple companies (from abroad) and close down accounts that had been fraudulently opened in his name. The fraudulent accounts have since been closed but Mr P says the entire ordeal has been very stressful for him. He's also incurred overseas call costs to resolve the issues he wouldn't have otherwise incurred but for Nationwide's error.

Nationwide issued its final response explaining that it had requested indemnities for each of the disputed direct debit payments which were refunded. It said his address across his accounts had been updated to his current address since his notification. Nationwide didn't accept liability for Mr P's identity being stolen because it says he didn't update his address on any other products he held with it. It highlighted he would have been notified at the time of his mortgage application that he needed to update the address on any other products he holds with it. It confirmed monthly statements were being sent by post to his old address. Unhappy with Nationwide's response, Mr P referred his complaint to this service.

One of our Investigators didn't think Nationwide should have done anything differently. He couldn't find any evidence that Mr P had updated the address on all of his accounts in 2021 and he felt Nationwide was clear in its notification that it wouldn't automatically do this with his new mortgage.

Mr P didn't agree and asked for an Ombudsman's final decision. The complaint has therefore been passed to me for determination.

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 don't uphold this complaint and I'll explain why.

Firstly, I don't doubt that Mr P has been the victim of identity fraud, he's provided evidence from various lenders confirming this. But even though I'm satisfied Mr P's identity has been stolen, I don't find Nationwide was the cause.

In Mr P's complaint form he says he changed his address with Nationwide at the time of his mortgage application (July 2021). But in correspondence with our investigator he says he changed his address on 6 August 2021 – when he attended a branch to change his joint account to a sole account. This is conflicting information, so I have to make a determination on what I think was most likely to have happened in light of Mr P's testimony and the information provided by Nationwide.

Nationwide says that Mr P updated his correspondence requirements to receive paper statements on 30 April 2021 (prior to the date he says he changed his address with Nationwide). I think Nationwide would've likely sent at least two paper statements to his correct address for his current and credit card accounts. And so, I think he reasonably ought to have expected to continue to receive paper statements when he moved. I note Mr P works abroad but he's advised that he was receiving his mortgage statements to his current address, so I think he ought to have noticed that his paper statements for his other accounts weren't being received sooner than July 2022 if he'd updated his address as he describes. I've seen evidence of Mr P's branch visit in August 2021. However the form he completed converting his joint account to a sole account included details of his old address not his current address and he signed this form. There's no further evidence showing he changed his address at this time but I've seen Nationwide's records of Mr P notifying it of address changes on 12 December 2019 and 15 July 2022 and visiting a branch for a separate matter in May 2021.

Mr P's testimony about changing his address at the time of his mortgage application appears to have changed as he says he attended a branch the following month to (amongst other things), change his address.

I'm therefore not persuaded that Mr P's testimony is entirely credible. Nationwide also holds records of his branch visits along with the dates he's previously updated his address. I don't think it's plausible that Nationwide wouldn't hold details of a change of address in August 2021 when it holds records to show he converted his joint account to a sole account at this time. I think if Mr P had updated his address at this time, Nationwide would have likely recorded it. In absence of any credible supporting evidence, I don't think Mr P updated his address with Nationwide in July or August 2021.

I appreciate Mr P believes the onus was on Nationwide to notify him that he held accounts with different correspondence addresses, but I don't agree. I don't think it's unreasonable that Nationwide would expect customers to update them of an address change for other accounts held at the time of a mortgage application. For example, a customer may not be moving into the mortgage address immediately and it's not for Nationwide to make assumptions about the requirements of its customers' correspondence addresses.

The evidence provided from Nationwide states that Mr P would've seen the following notification around the time of his mortgage application:

'We won't have updated your address for any other products you have with us, so it's important to make sure you tell us about this change'.

I'm therefore satisfied that when Mr P applied for his mortgage, Nationwide did enough to let him know that it wouldn't be changing his address on his other accounts.

Even if I were to agree that Mr P changed his address with Nationwide in the way he describes – for the avoidance of doubt, I don't think this happened. I can't agree that his identity being stolen flows from this incident. It's apparent the fraudulent activity occurred from around July 2022 when multiple fraudulent applications with various lenders were carried out in a short space of time. But Mr P's Nationwide correspondence was being sent to his old address for almost a year prior to the fraudulent activity, so it doesn't seem that this alone caused the problem and an intervening act happened towards the middle of 2022. Most lenders require identification documents as well as proof of address verification to open new accounts. So whilst I could hypothetically accept that a fraudster could've used Mr P's statements from Nationwide as proof of address, they would've likely needed his identification too. I think it's more likely that a fraudster had access to more than Mr P's Nationwide correspondence to have stolen his identity and there's nothing to suggest that Nationwide would have sent Mr P's identification to his old address. So I don't find that Nationwide would have caused Mr P's identity to be stolen, albeit I could accept the correspondence may have been a contributing factor.

I empathise with the fact that Mr P will need to closely monitor his credit report in case of any fraudulent activity for some time to come, but for the reasons I've explained, I don't think Nationwide are to blame for this. I don't find that Mr P changed his address with Nationwide in respect of his non-mortgage related accounts until July 2022. And therefore, it can't be responsible for his personal information getting into the wrong hands as it did what it was required to do by sending his correspondence to the address it held on file for him.

I'm pleased to see that some of the lenders have placed protective fraud markers on Mr P's credit file to alert other lenders of his identity being stolen. This should mitigate some of his inconvenience.

My final decision

My final decision is, despite my natural sympathy for the circumstances Mr P finds himself in, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 August 2023.

Dolores Njemanze
Ombudsman