

The complaint

Mr H has complained Nationwide Building Society provided inadequate security for his current account when he was a victim of ID fraud, and subsequently should provide additional compensation to him.

What happened

After his post was intercepted, Mr H discovered a fraudster had opened an additional Nationwide account in his name. This had enabled the third party to link the new account to Mr H's existing account, change the address related to the accounts and make a number of false loan applications which were then paid into Mr H's account.

Mr H was alerted to this by the postal service and immediately contacted Nationwide. He was upset to discover a considerable number of loans had been made in his name and his account used to launder a significant level of funds.

Nationwide took action to block Mr H's accounts. A number of letters were exchanged between Mr H and Nationwide. They provided at least three different final responses in response to Mr H's complaints that their lack of security had enabled a fraudster to make use of his name and details. In December 2022 Nationwide confirmed they would be providing £750 to Mr H for their customer service failings, along with £150 for the cost of his phone calls.

Mr H remained concerned about the misuse of his data which he believed Nationwide had enabled. He'd also had to sort out the large number of issues which arise from cases of ID fraud. He believed that Nationwide should provide a larger amount of compensation, to take account of the amount of time he'd spent as well as the worry caused.

He brought his complaint to the ombudsman service and told us he was looking for compensation in the region of £5,000. His main concerns were what he saw as Nationwide's breaches of data protection, inability to identify the fraud at an early stage and the impact on his credit record.

After reviewing the complaint and explaining what aspects we could and couldn't consider, our adjudicator told Mr H she thought Nationwide had provided sufficient compensation.

Still unhappy, Mr H asked an ombudsman to consider his complaint. In a letter dated 28 April 2023, Mr H outlined his remaining concerns.

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've reached the same outcome as our adjudicator. I'll explain why.

Firstly it's clear Mr H has been the victim of ID fraud. This has had a massive impact on him. He will have had to spend a lot of time sorting out both the large and small issues that are

involved in cases like his. He has my sympathy. Unfortunately the prime reason for this is the fraudster who intercepted his post and used his identity to steal money from a number of different credit providers.

I can see Mr H is concerned that his credit record has been impacted by the credit applications made in his name. I would have hoped that as soon as the relevant credit providers knew what had happened, they'd remove all data from Mr H's record. I appreciate this can take up to a couple of months – and inevitably involves time and effort on Mr H's behalf – but that should sort itself out. I also don't believe this is an issue I can hold Nationwide responsible for. The credit providers were the businesses that granted Mr H considerable funds and placed additional data on his credit record.

What I am considering when reviewing his complaint is whether Nationwide has provided sufficient compensation to reflect what they did or didn't do when they were aware of the fraud. And then the impact of their actions on Mr H.

I need to stress it's not the ombudsman service's role to tell banks what security they should adopt when granting new accounts, linking those accounts or monitoring payments and transactions into and out of those accounts. We are not a regulator and that is the role of the Financial Conduct Authority. I'm also not able to review the account-opening processes that occurred when Nationwide opened the fraudster's account.

Mr H alleges significant breaches of the GDPR by Nationwide. Whilst I take account of laws, rules and regulations, my role is not that of a court to fine or provide compensation in relation to any regulatory breaches.

I know Mr H is already aware of these limitations. I appreciate and note his concerns.

Nationwide has been upfront in noting that *"more should have been done for"* Mr H. I think their early attempts to compensate him were inadequate. However overall I think £750 for their customer service failings, difficulties in providing Mr H his funds and the time he had to spend sorting things out with Nationwide is sufficient. I note Mr H believes Nationwide should have reimbursed his costs of signing up with commercial credit agencies. However I believe a small portion of the £750 paid to Mr H would cover this, and as I say above, their actions wouldn't have impacted his credit record as much as other businesses.

Mr H continues to believe Nationwide should reimburse him based on an hourly rate despite him being aware that the ombudsman service does not use that basis for making awards. I know our adjudicator drew Mr H's attention to our website explaining how we consider awards. This also provides examples of what has been awarded in similar cases. I believe £750 is relatively high in comparison.

Overall I won't be asking Nationwide to provide further compensation to Mr H.

My final decision

For the reasons given, my final decision is not to uphold Mr H's complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 August 2023.

Sandra Quinn
Ombudsman