

The complaint

G complains that National Westminster Bank Plc recorded a CIFAS marker against its name and won't remove it.

G is a limited company and the complaint is brought on its behalf by its director, who I'll refer to as Ms O.

CIFAS is one of the UK's fraud alert services.

What happened

The bank closed G's account in September 2017. The following year, when Ms O was applying for a loan, she discovered that NatWest had recorded a CIFAS marker against her name and against G.

The complaint about the CIFAS marker recorded against Ms O has been considered separately by this service and I won't comment on it further here – this decision is only about the marker recorded against G.

Our investigator didn't recommend that this complaint should be upheld. She was satisfied that NatWest had done enough to show that the CIFAS marker had been recorded correctly.

G did not agree. Ms O said, on G's behalf and in summary, that:

- G had no knowledge of any fraudulent transactions in or out of the account.
- G was not operating at the time and the account was not in use.
- G has been affected by a director's personal circumstances and this has impacted on its trading.

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.

Our investigator explained why this service can't share with Ms O the detail of everything NatWest has told us. NatWest says it was put on notice, by a third party bank, that G's account was due to receive a fraudulent credit; the account holder hadn't given authorisation for the payment to be made.

The banks were able to stop the transaction, so G did not actually receive the payment. But I find NatWest had enough information to close G's account and to record the CIFAS marker.

I've taken into account that there were two directors of G when the fraudulent transaction was identified and that Ms O is now the sole director. But G is a separate legal entity and it was its account that was due to receive the fraudulent transaction.

I've also considered that G wasn't operating at the time and that the account wasn't in use. But this doesn't change my conclusion – if the banks hadn't identified and stopped the transaction, it would have credited G's account.

I understand Ms O feels G is being unfairly affected by an ex-director's personal circumstances. But I've found that the CIFAS marker is factually correct, so I can't ask HSBC to remove it.

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 Ms O, as a director of G, to accept or reject my decision before 28 October 2020.

Elizabeth Dawes
Ombudsman