

The complaint

Mr A has complained that TSB Bank plc wrongly registered an entry against his name on a fraud prevention database following an application he made for a mortgage. To settle the complaint Mr A wants the entry removed and for the bank to pay compensation.

What happened

In 2017 Mr A applied for a mortgage with TSB, but the application was declined. Later, Mr A learned that TSB had registered information against him with the Credit Industry Fraud Avoidance System (CIFAS). Mr A complained to TSB, which declined to remove the entry. The bank said it would reconsider if Mr A was able to provide the bank with P60s for the previous three years, or a letter from HMRC confirming his income.

Dissatisfied with TSB's response, Mr A referred the complaint to the Financial Ombudsman Service, where an investigator looked at what had happened. Mr A provided a letter from HMRC confirming his income. TSB has now agreed to remove the CIFAS markers, but has declined to pay any compensation.

The investigator thought it was fair that the marker was now removed, but didn't think TSB had done anything wrong in registering it in the first place. Consequently she didn't think there was any basis on which TSB was required to pay compensation.

Mr A asked for an ombudsman to review the investigator's findings.

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.

I confirm I've received some evidence in confidence – and our rules allow for this. I've reviewed everything Mr A and TSB have said. Having done so, I'm satisfied that TSB had reasonable grounds to register information against Mr A with CIFAS. The registration was in accordance with CIFAS's standards of proof. Given this, I don't think TSB acted unfairly or unreasonably when it registered the information against Mr A.

The entry has now been removed, after Mr A provided the proof of income, verified by HMRC, that the bank required. I'm satisfied there is no basis on which TSB was under any obligation to remove the entry without this confirmation.

Given that I'm satisfied the entry was fairly registered, I'm not persuaded that it would be fair or reasonable to order TSB to pay any compensation for trouble and upset. I appreciate Mr A will be disappointed, but overall I'm satisfied that the bank's actions were appropriate at the time, given the information it had available to it about Mr A's circumstances.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 February 2021.

Jan O'Leary
Ombudsman