

## **The complaint**

Mr B complains that Capital One (Europe) plc allowed a fraudster to access his account and amend the phone number.

## **What happened**

Capital One says it received a call on 3 September 2019 from someone who had Mr B's personal information. The caller was able to provide answers to Capital One's security questions and the phone number associated with the account was changed.

On 9 September 2019 Mr B called Capital One as he noticed a payment for £599 he didn't recognise on his account. Mr B asked Capital One to investigate the transaction and it subsequently agreed it was fraudulent. The payment was reversed.

Capital One added Mr B's details to the CIFAS database to help protect him against fraud in the future.

In October 2019 Mr B complained and said that he had been declined an interest free loan due to the CIFAS information.

Capital One responded to Mr B's complaint but didn't uphold it. Capital One said the fraudster had correctly provided Mr B's personal details when answering security questions and that CIFAS has no bearing on how credit applications are considered by lenders.

Mr B referred his complaint to this service and it was passed to an investigator. They said the fraudster had given the correct responses to Capital One's security questions before amending the phone number. They also thought Capital One's decision to refund the fraudulent payment and add Mr B's details to CIFAS were reasonable.

Mr B didn't accept and said inadequate security at Capital One had allowed his number to be changed. Mr B said Capital One had failed to protect his identity and asked to appeal. As Mr B asked to appeal, his complaint has been passed to me to make a decision.

## **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 can understand how concerned Mr B is that a fraudster was able to give Capital One the necessary answers to pass its security questions. Mr B says that his name, address and date of birth aren't confidential and security questions based on them aren't fit for purpose. I understand Mr B's concerns and that it was a shock to find someone had not only spent money from his Capital One credit card but also managed to change his phone number. However, I haven't found that Capital One acted unfairly in this case. I'll explain why.

Capital One can choose what security questions and processes it has in place to protect accounts. I understand that Mr B feels the questions asked weren't based on confidential

information, but Capital One is free to decide what questions it asks when identifying customers. Our service doesn't have the power to tell a business to change the way it operates or what security questions to ask when customers call.

I've listened to the call in question. Like the investigator, I didn't hear anything that I think would have caused Capital One to find the call concerning or unusual. The fraudster was able to provide Mr B's personal information which was sufficient to amend the phone number on the account.

Once Mr B spoke with Capital One it took action to reverse the transaction which means there was no loss to the account. I'm pleased the transaction was reversed so Mr B didn't lose out.

Capital One says it referred Mr B's details to CIFAS due to concerns over other attempts at fraud. I understand Mr B is concerned that his ability to obtain credit has been impacted as a result. But information of this nature is used to identify the consumer and not to assess a credit application. Mr B has confirmed he was able to secure credit elsewhere.

I'm sorry to disappoint Mr B but I haven't been persuaded to uphold his complaint. I agree someone was able to access his account but that was only after they provided private information about Mr B. Capital One reversed the transaction and has taken steps to try and protect Mr B from fraud by adding his details to CIFAS. As I'm satisfied Capital One has dealt with this complaint fairly, I'm not telling it to take any further action.

### **My final decision**

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

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

Marco Manente  
**Ombudsman**