

## **The complaint**

Mr H complains that TSB Bank plc recorded an entry against him with CIFAS, a fraud prevention agency, following an application he made for a mortgage.

## **What happened**

In late 2014, Mr H applied for a mortgage with TSB. TSB declined the application and recorded an entry against Mr H with CIFAS, saying he had failed to declare an address at which a county court judgment (CCJ) was registered.

Mr H says he couldn't get finance for either himself or his limited company, and he didn't find out about the entry until late 2018. He complained to TSB. TSB initially said it hadn't done anything wrong and wouldn't remove the entry. In late 2019, it reviewed the matter again and found the CCJ was no longer showing with credit reference agencies, so it removed the CIFAS entry. But it said it had been right to make the entry in the first place.

Our investigator found TSB had been able to provide only limited evidence about Mr H's application in 2014 and what led to it recording the entry. She thought it had acted reasonably in removing the entry after Mr H complained, and she ultimately didn't recommend it do any more.

Mr H didn't accept that conclusion. In summary, he said TSB's actions had resulted in substantial losses for him and his business, so he wanted compensation. He also said he hadn't lied when he applied for the mortgage, and he wanted to see evidence of the CCJ – which he didn't know about given the range of business interests and company directorships he has.

## **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.

One of the difficulties in this case is the time that has passed since TSB made the entry with CIFAS. This means the evidence available is more limited than it might otherwise have been. That, of course, isn't Mr H's fault. It is, however, the reason why TSB removed the entry in 2019: the evidence its records said it had relied on (a CCJ against a company of which Mr H was a director) in making the entry some five years earlier was no longer there.

In these circumstances, I think removing the entry was a reasonable step for TSB to have taken. But I don't consider I can fairly require TSB to compensate Mr H for the impact he claims the entry had in the intervening years.

Firstly, I'm not – on balance – persuaded that TSB failed to meet the standard CIFAS requires of its members in recording an entry of this type, or that it was wrong to have made the entry in the first place. CIFAS itself told Mr H when he complained to it that it was satisfied with the evidence TSB had provided, so it wouldn't remove the entry.

I can't be certain what TSB asked Mr H about his or the companies' finances in 2014, and Mr H has said there is a difference between being self-employed and a company director, which may have affected his answers. I understand his argument, and this brings me to my second point, which is that I think it would be difficult to conclude that the significant losses Mr H is claiming flow from the CIFAS entry.

Mr H has said he struggled to get finance because of the entry. I note he had had an account taken out fraudulently in his name which adversely affected his credit file, but also that he was able to increase his borrowing on some card accounts and open new accounts while the CIFAS entry was still in place. And, importantly, CIFAS is clear with its members that they can't automatically reject an application or close an account just because an entry has been made against someone's name. They must make their own enquiries.

Besides that, Mr H and each of the limited companies of which he is director is a separate legal entity so, as the investigator explained, any business losses are those of the companies, not Mr H. I have no power to make an award for his limited companies' losses.

For these reasons, I don't require TSB to pay Mr H compensation or to take any other action to settle this complaint.

### **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 H to accept or reject my decision before 10 June 2021.

Janet Millington  
**Ombudsman**