

## **The complaint**

Mr K complains that Capital One (Europe) plc decided to close his account and register a marker at CIFAS, the national fraud database.

## **What happened**

Mr K applied for an account with Capital One and was told he was successful and started using the account. But then Capital One told him that it wouldn't continue to provide the account. And he found out that it had registered the marker and he says this means he isn't able to open a personal account elsewhere or apply for a mortgage.

Our investigator didn't recommend that the complaint be upheld. He said that the bar for recording a marker at CIFAS was a high one. Capital One had found inconsistencies in the information Mr K had provided with his application. And it carried out further checks even though the account was already open. He didn't think it had acted unfairly in applying the marker based on the evidence it had.

Mr K didn't agree and said that the outcome was biased, and that the opinion should be supported with proof.

## **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 need to consider whether the report to CIFAS was made fairly. On this point, Capital One needs to have more than a suspicion or concern. It has to show it had reasonable grounds to believe that a fraud or financial crime had been committed or attempted and that the evidence would support this being reported to the authorities.

It has provided details to this service of its review of Mr K's application and the basis for its concerns. I can see from contact it had with Mr K that it had asked him to confirm he was the applicant and the details. I'm satisfied that it made its decision then to close his account based on the checks and evidence it had and reviewed this when he complained. The nature of that information about fraud isn't something I'd expect to be disclosed to him.

I've looked at whether Capital One was fair to apply the marker, based on the evidence it had, and the investigation it carried out. CIFAS guidance says the business must have carried out checks of sufficient depth to meet the standard of proof set by CIFAS. This essentially means that Capital One needs to have enough information to make a formal report to the police. And that any filing should be for cases where there are reasonable grounds to believe fraud or financial crime has been committed, rather than mere suspicion. Having reviewed what Mr K has told this service and the evidence Capital One has provided, I'm satisfied that Capital One had sufficient grounds to decide to record the CIFAS marker.

I appreciate that this outcome will be unwelcome for Mr K but I'm afraid that I don't have a reasonable basis to require Capital One to do anything further.

**My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 1 June 2021.

Michael Crewe  
**Ombudsman**