

The complaint

Ms M complains that HSBC UK Bank Plc (“HSBC”) has unfairly recorded a Credit Industry Fraud Awareness System (“CIFAS”) marker against her name. She feels the marker should be removed.

What happened

In September 2015 and April 2016 Miss M made applications with HSBC to open a bank account. On both occasions she told it she had lived at one address, which I’ll refer to as “address A”. Her application states she’d lived at address A since February 2011 and February 2010 respectively.

Upon checking the information provided in her applications, HSBC discovered evidence that Miss M had likely lived at another address during the same period she’d said she had only lived at address A. I’ll refer to this address as “address B”. According to the searches it carried out, adverse information had been recorded in Miss M’s name which was linked to address B.

In May 2019 Miss M made another application with HSBC. In this application she said she’d lived at another address, which I’ll refer to as “address C”, since August 2015. HSBC initially accepted Miss M’s application but after carrying out further checks it discovered she’d failed to disclose previously provided addresses and ended its relationship with her. As she’d already made arrangements to use her HSBC account this caused her inconvenience and financial loss which HSBC compensated her for in June 2019. Miss M hasn’t raised this issue as part of this complaint.

Because Miss M had failed to include addresses which were linked to adverse credit information in her name, HSBC felt she had deliberately omitted information in order not to be disadvantaged by it. In relation to each application it filed a CIFAS marker intended to record ‘application fraud’.

In July 2020 Miss M contacted our service and complained about the CIFAS markers recorded against her and the impact this was having on her life. She said she didn’t intentionally omit any information from her applications. She said:

- She’d moved a lot and didn’t keep records of exact dates
- There had been a fire at address B at some point and she’d had to move out
- She’d been on medication which made it very difficult for her to keep track of things which is why she might’ve been confused about when she lived at each address
- When she’d made the applications she was in the midst of a relationship breakdown, had lost her home and partner and had attempted suicide
- A previous partner had taken out credit in her name without her knowledge
- She’d provided two addresses to HSBC but had simply got the dates wrong

Our investigator didn’t uphold the complaint. They felt the decision to apply the marker was reasonable based on the evidence they’d seen. As Miss M didn’t accept this, the 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.

The marker that HSBC has filed with CIFAS is intended to record that there's been 'application fraud' – where the applicant has submitted an application with one or more material falsehoods for the purpose of obtaining a benefit. In order to file such a marker, it's not required to prove beyond reasonable doubt that Miss M is guilty of a financial crime, but it must show that there are grounds for more than mere suspicion or concern. CIFAS says:

- *“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; [and]*
- *The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police.”*

HSBC has provided information from Miss M's credit file that shows adverse information relating to debts and utility bills in her name at address B dating back to October 2013. It also shows she was registered on the electoral role at this address in 2013. So as a starting point I think HSBC has reasonable grounds to believe Miss M has lived at address B and that this information has been omitted from at least two separate applications to HSBC.

When Miss M made her third application in 2019 she said she'd lived at address C since August 2015. This application was initially accepted by HSBC before it carried out further checks. It then discovered this information contradicted her application of September 2016 in which she'd said she lived at address A and had done for several years.

HSBC reviewed the evidence it had previously relied on when filing the CIFAS marker in 2015 following her first application. This showed adverse information linked to address A in Miss M's name in the five years leading up to the 2019 application.

As she'd omitted addresses with adverse information in her name linked to them in each application, HSBC concluded Miss M had deliberately omitted addresses in an attempt to prevent adverse credit information potentially affecting her application. It filed a CIFAS marker in relation to each application and based on the evidence I've seen I think it had reasonable grounds to do so.

Miss M has given reasons as to why she thinks the CIFAS markers are unfair. She's said the omission of information wasn't deliberate and she's explained her circumstances at time of the applications. I'm sorry to hear of everything Miss M has been through and can't imagine how difficult everything she's described must've been for her. And, I've considered this information very carefully, but overall, I don't think what she's said has plausibly explained how she failed to mention more than one previous address she lived at on three separate occasions across a four year period.

Miss M has said there was a fire at address B and she'd had to move and that she lost her home which is why she wasn't able to remember it. But I don't think this explains why, when she made her third application in May 2019, she failed to mention address A which is the only address she'd previously provided to HSBC. I'd also note the council tax information Miss M has provided in order to prove when she lived at previous addresses appears to show two additional addresses she lived at in 2017 which also weren't mentioned in her application to HSBC in 2019.

Miss M has also said she didn't omit addresses entirely, but simply got the dates confused. However, I've seen the applications made to HSBC and on each occasion only one address

has been provided. So I don't think it's likely she did provide more than one address on each occasion. Her credit file shows credit in her name registered to address B throughout 2013, 2014 and 2015. Some entries are dated just six months before she made her first application with HSBC in September 2015. Based on the dates recorded on her credit file, it also appears there is a considerable overlap between one address and the next. So I don't think it's plausible she forgot these addresses even taking into account the circumstances she's described.

And, ultimately, it was down to Miss M to make sure the information she was providing was correct to avoid falsifying information in her application. If she felt unable to be sure of the information she was providing at the time of the applications due to her circumstances and her medical treatment, it's reasonable to expect her to have checked the information before making the application, or to have contacted HSBC for guidance.

Overall, I think HSBC had sufficient evidence for the CIFAS markers to be recorded. I appreciate what Miss M has said about the impact this is having on her, and I'm sorry to hear this. But I'm afraid this isn't grounds for me to ask HSBC to remove them.

My final decision

Your text here

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 15 July 2021.

Faye Brownhill
Ombudsman