

The complaint

Miss B complains that Barclays Bank UK PLC has registered a marker about her at CIFAS, the national fraud database.

What happened

Miss B applied for a current account with Barclays in 2017. It didn't accept her application. In 2020 she complained when she found out that it had also registered the fraud marker which was affecting her ability to open a business and her mental health.

Barclays said it wouldn't be removing the marker. Miss B hadn't disclosed an address which she had used for credit in the prior three years and there was a related default at that address. It said Miss B had concealed this to help her get an account.

Our investigator recommended that the complaint be upheld. He said that Miss B had provided two addresses when she made her application. One which she said she had been living at since June 2015 and the other her parents' address where she had been living since 2005.

Miss B had now explained that in fact she had lived at a third address with her partner between 2004 and 2011. She said that she had been homeless after that and moved into the temporary accommodation in 2015. Miss B accepted that she had applied for the pay day loan in question in 2016 and that it had defaulted in April 2017 although she couldn't remember this or explain why she had used this other address. She has provided evidence from her GP about her severe mental health problems at this time and our investigator thought these were relevant to her actions and that this had all been a mistake. He also could see why if Miss B hadn't lived at the third address since 2012 she mightn't think she needed to have disclosed it to Barclays.

Our investigator said he didn't think that Miss B deliberately intended to defraud Barclays. And he didn't think that the high bar for adding a CIFAS marker had been met. He said that the marker should be removed, and Miss B paid £250 in compensation for the trouble and upset caused to her.

Barclays didn't agree. It said that it had referred this to CIFAS, and it had said that as Miss B didn't disclose material information when she made her application that its standard of proof was met. Barclays also said that our investigator had agreed that Miss B's address history had been inconsistent throughout and it wouldn't consider any compensation.

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, Barclays 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.

The address Miss B provided to Barclays at the time of her application is described on the provider's website as being temporary supported housing for vulnerable young people who are homeless or at risk of being homeless. She said on her application she was unemployed and gave details of her benefit income. I've seen evidence that her benefit payments were related to health conditions. The other address she gave was that of her parents and was the one at which her identification details were registered.

Miss B has recently provided clear evidence from her GP who states that she was *"extremely mentally unwell, really from 2015 onwards, but particularly in 2016/7. I would be most grateful if this could be taken into account when assessing her situation with regards to debts she may have got into"*. The GP goes into detail about her specific conditions. Having considered this carefully I think it most likely that this was a relevant consideration in her actions at this time.

I've looked at what CIFAS said to Barclays about the marker and which Barclays has submitted as evidence. Importantly CIFAS says that *"We are aware that there are a number of varied factors that might lead to a false application, and there are instances in which mitigating circumstances may mean that an individual would not have been aware that their actions were wrong. However, having reviewed the evidence of the case, I'm satisfied that the standard of proof to file has been met."*

It isn't in dispute as Barclays says that Miss B didn't disclose an address with information that was material to her application. That I accept could be grounds for a CIFAS marker to be registered.

I clearly take into account what CIFAS has said in a complaint about whether a marker applying its own standards was fairly applied. But I am entitled to make my own decision about this and weigh the information to decide Miss B's intent and what is fair and reasonable. It is clear to me that Miss B's accommodation arrangements were unstable, that she was vulnerable, and she had mental health issues relevant to her behaviour. She says on her complaint form that she wanted a basic bank account.

In these particular circumstances I'm not satisfied that it is most likely her intent was to defraud Barclays and deliberately conceal a past default to do so. I can see that while she was homeless and said she was often sleeping on the street she mightn't think she had another address to report. And I think that her wider personal issues likely meant in any event that this didn't even occur to her despite having used it as a basis to obtain what she explains were a number of payday loans.

Putting things right

Given my findings I don't think that there was a basis for the marker fairly to be recorded. It should be removed. I agree with our investigator that Miss B should be paid £250 for the trouble and upset caused to her.

My final decision

My decision is that I uphold this complaint and I require Barclays Bank UK PLC to:

- Remove the CIFAS marker
- Pay Miss B £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 23 July 2021.

Michael Crewe
Ombudsman