

## **The complaint**

Miss M is unhappy that a fraudster has been able to access her credit file and she is concerned that Clear Score didn't do enough to safe guard her personal data.

## **What happened**

On 10 June 2020, Miss M received a call from a credit card company asking her if she applied for a credit card. She was advised to check her credit file and to register with CIFAS. Miss M reviewed her credit file and noticed two searches on her file by Clear Score. She contacted Clear Score and found out a third party had registered with Clear Score pretending to be her. Clear Score then went to a third-party credit reference agency who generated security questions. Because the fraudster passed these questions, Clear Score gave the third-party access to Miss M's credit file.

The searches allowed the fraudster to access her personal information and financial details which led to a number of fraudulent applications for credit in her name. She complained to Clear Score and submitted a DSAR and she was provided with information with a large amount of data redacted and a final response letter.

Miss M was unhappy with Clear Score's response as she says it allowed a fraudster to access her information whilst providing Clear Score with the wrong phone number and email address. She also says the fraudster also answered Clear Score's question about her bank incorrectly. She feels that if Clear Score had carried out basic checks, it would've realised a fraudster was trying to access her personal information.

Miss M also feels that Clear Score sold her data to other third parties and hasn't been open about this.

Miss M says she had to commit a large amount of time to correct the problems caused by the identity fraud and the impact has been significant. She also has no idea about how much of her information has been shared with the fraudster.

Our investigator did not uphold the complaint as he didn't think Clear Score had done anything wrong. During his investigation he established that following receipt of an application for information from Clear Score, it was the third-party credit reference agency that generated the security questions which were specific to Miss M's credit file. The third-party credit reference agency told Clear Score what the questions were and whether they were answered correctly – but it didn't tell Clear Score the answers. In this instance all six questions were answered correctly.

Miss M did not agree. She felt that Clear Score and the third-party credit reference agency were blaming each other. She also felt that the security questions can't have been reasonable – otherwise the third-party credit reference agency would have shared them with her. She also felt that Clear Score did not verify her in the same ways as other companies did.

As the case could not be resolve informally, it's been passed to me for 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 have carefully noted the representations made by Miss M, but I won't be addressing every single point that's been raised. It doesn't follow that the points haven't been considered, simply that I don't need to particularise every point in reaching an outcome I consider to be fair and reasonable in all the circumstances. I've instead concentrated on the issues I think are central to the outcome of this complaint.

Miss M wanted to know why Clear Score and the third-party credit reference agency were blaming each other. This complaint is against Clear Score so I will only be determining whether Clear Score did anything wrong.

Unfortunately, fraud does happen, and whilst banks and other organisations do try their best to protect consumers, they won't always be able to prevent it. Unfortunately, we don't know how a fraudster was able to get the information in order to pass the security systems here but the fact that they did, doesn't automatically mean Clear Score did anything wrong. We don't regulate Clear Score, so I can't say whether its security systems are sufficient. I can only look at whether it made an error as part of its processes.

It was the third-party credit reference agency, rather than Clear Score, that generated the security questions which were specific to Miss M's credit file following receipt of an application for information from Clear Score. As I understand it, the third-party credit reference agency told Clear Score what the questions were and whether they were answered correctly – but it didn't tell Clear Score the answers.

For reasons already explained, those questions can't be shared, as it is commercially sensitive information. Also, it is not Clear Score's information to share, but the third-party credit reference agency's information. The evidence does show that all six questions were answered correctly as part of the verification process. And as these questions were answered correctly, the third-party credit reference agency released the credit file data to Clear Score, and Clear Score in turn released this information to the fraudster. This does suggest to me that the fraudster already had access to Miss M's information and knew answers to these security questions prior to registering with Clear Score.

I appreciate Miss M has said that Clear Score did not verify her as other companies did, and that the fraudster may have failed security checks with other organisations. On this basis, Miss M doesn't believe the security questions are reasonable as she feels they should be sufficiently complex to weed out fraudsters. In particular, she has explained that the phone number given by the fraudster wasn't genuine and doesn't even ring. I can't comment on other organisations security checks. Clear Score has confirmed that it doesn't ask for a phone number during its registration process and it doesn't have any information relating to Miss M's phone number on its system. I appreciate Miss M believes Clear Score should ask for these basic questions as part of its security process, but as explained above it is not for me to determine whether its systems are sufficient, just whether it did anything wrong as part of its processes.

I do understand that Miss M has found this particularly distressing and can understand why she would be anxious knowing that personal information might have been made available to a fraudster. Miss M may be able to get more advice about any potential data breach, and how to protect herself going forward from the Information Commissioners Office (ICO). Clear

Score has also confirmed it is happy to provide information to the police to cooperate with any investigation that they may be conducting.

None of what I've said here is meant to underestimate the impact that Miss M says this had on her. But I hope she'll understand that, as an impartial service, we have to look at both sides of every dispute that is referred to us. And that means that we have to consider the evidence that's provided and reach our own independent view of what's fair and reasonable in the circumstances of a complaint.

I understand that identity fraud can be distressing. However, the evidence suggests that Clear Score followed its security process when releasing Miss M's credit file to the fraudster.

### **My final decision**

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 5 November 2021.

Kathryn Milne  
**Ombudsman**