

The complaint

Mr A and Mrs R complain that TSB Bank plc made an entry about them on a fraud prevention database, CIFAS, when they applied for a mortgage.

What happened

Mr A and Mrs R applied for a mortgage with TSB. It refused their application and made entries about both of them on CIFAS, the fraud prevention database.

Some time later, Mr A and Mrs R discovered the entries and complained to TSB. TSB said it would consider whether to remove the entries if Mr A and Mrs R provided further information. Mr A did so, but TSB didn't remove the entries.

Mr A and Mrs R complained to us. Our investigator didn't recommend upholding their complaint, so Mr A and Mrs R asked for it to be reviewed by an ombudsman.

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 CIFAS fraud prevention database is an important tool in the UK financial services landscape, since it allows the sharing of relevant information across the industry. However, the consequences for an individual of being reported to the database can be severe, so CIFAS issues guidelines to its members on the standard of evidence required to make an entry. I've borne those guidelines in mind in considering this complaint.

When Mr A and Mrs R applied to TSB for a mortgage, via a broker, they completed an application form which, among other things, gave details of their income.

Mr A declared two separate employments, and Mrs R declared one. TSB considered their application and the supporting evidence they had provided. It carried out its standard underwriting checks. Having done so, it didn't think it had been provided with accurate or genuine information, so it made an entry on the database about both Mr A and Mrs R.

As part of this complaint, both TSB and our investigator asked Mr A and Mrs R for further information about their employment and self-employment history and their incomes at the time of the application.

Mrs R has not provided any further information. I've considered what TSB has said about the checks that it carried out, and in the absence of any evidence from Mrs R as to her circumstances at the time, I don't think I can fairly say that it was unreasonable for TSB to record an entry about her on the database, and so I won't be asking TSB to remove it.

Mr A has provided further information. This includes correspondence from HMRC, as well as payslips and a copy of his tax return for the year in question.

Mr A declared two sources of employment income on the application. He's provided us with

copies of payslips which match that information, as well as bank statements showing money received.

However, the letter from HMRC setting out his employment history shows that in the relevant year only one employment was declared – and that paid him no income. Mr A says that both his employers wrongly declared his income for that year by mistake, and he corrected it by completing a self assessment tax return to report his income.

I think it's unlikely that two separate and unrelated employers would make substantially the same mistake in reporting to HMRC at the same time. But I've considered the further information Mr A has provided. He's given us a copy of his completed tax return for the relevant year, though not the confirmation of receipt or tax year summary from HMRC. The tax return Mr A gave us declares self-employment and dividend income, not employment income, so it's not consistent with the payslips he gave us. And the total amount doesn't match the amount recorded on the mortgage application form.

I've taken that into account. I've also taken into account the underwriting checks TSB carried out, which raised some concerns about the plausibility of the employment Mr A had declared given the nature of public records about the companies he said he was employed by. TSB was also unable to verify the accuracy of the income he had declared.

Based on the information it had at the time of the mortgage application, I think TSB had reasonable concerns that it had not been given accurate information about Mr A's income and employment history. So I don't think it acted unfairly in making the entry about Mr A on the database.

And having considered what TSB has said in response to this complaint, as well as the further evidence Mr A has now provided, I don't think I can fairly ask TSB to remove the entry now. I'm satisfied there were, and are, reasonable grounds for TSB to consider that it wasn't given accurate information in support of the mortgage application, and for it to conclude that the standard for making an entry was met.

My final decision

For the reasons I've given, 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 A and Mrs R to accept or reject my decision before 4 January 2022.

Simon Pugh
Ombudsman