

The complaint

Mr D complains that Starling Bank (“Starling”) has unfairly recorded a Credit Industry Fraud Awareness System (“Cifas”) marker against his name. He feels the marker should be removed.

What happened

Mr D had a current account with Starling. In May 2020 it contacted him about a payment to his account that had been disputed by the sending party. They’d said they’d paid Mr D for gift card codes with a retailer but he hadn’t provided them. They said when they tried to contact him about this he failed to respond.

Starling asked Mr D for more details about the payment including his relationship to the payer, the reason for the payment and why the payer didn’t use his genuine name.

Mr D responded and explained he provided investment lessons through a social media account and the payment was for the lessons which had been provided. He said the payer had used his nickname rather than his full name as that’s how all his students knew him.

Starling responded and asked Mr D for evidence of the investment lessons he was providing. Mr D didn’t respond as he said he had another account he’d started using to accept payments instead. In June 2020 Starling wrote to Mr D to confirm it was closing his account.

In July 2020 Mr D discovered a Cifas marker had been loaded against him and that this was impacting his other accounts. He made a complaint to Starling who investigated his concerns but said it felt it applied the marker fairly in light of the payment dispute raised against Mr D and the lack of evidence to support what he’d said.

Mr D didn’t accept this and brought the complaint to our service. Our investigator didn’t uphold the complaint. They felt based on the evidence it had Starling had acted reasonably in closing Mr D’s account and loading a Cifas marker. As Mr D 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 Starling has filed with Cifas is intended to record when an account has been used fraudulently by an account holder. In order to file such a marker, it’s not required to prove beyond reasonable doubt Mr D 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.”*

In this case Starling has been able to show me the information it received from the sending bank. It's customer, the payer, has disputed the service Mr D has provided to them. The payer sent Mr D £50 and the payment reference used was the name of a high street retailer. They said they were paying for voucher codes with this retailer but these weren't provided by Mr D as agreed. When they tried to contact Mr D about this he didn't respond.

Mr D has said he wasn't selling a voucher, he was selling investment lessons. These lessons are provided at different levels for either £30, £50 or £70. But when asked by both Starling and our service, he hasn't been able to provide any evidence that suggests this is a service he provides to people.

And I find this strange, because it doesn't seem to me it would be difficult to show this is something he advertises or posts about on his social media accounts. It also seems likely there would've been some discussion between Mr D and the payer he says was his student about what service they were buying, given he's said he offers three different levels. So it's strange he hasn't been able to provide this either.

I can see Mr D has provided us bank statements from several different accounts showing people regularly pay him in amounts of £30, £50 and £70. And whilst I accept this indicates he's likely selling something for these amounts, I don't agree it provides evidence that he was providing investment lessons to the individual that made a fraud claim against him. And given the volume of payments Mr D has received – which suggests he's provided something to many people - it again seems strange he's not been able to provide any evidence that this is a service he provides.

It also isn't clear why the reference for the payment in dispute is a retailer. This doesn't correspond with the service Mr D has said he was providing, although it does correspond with the payer's fraud claim. Mr D has said he asks people to pay him using random words as references so he can cross reference who's paid him and it would be too much to keep track of people's full names, but I don't think this makes sense.

Very few of the payments he's received contain 'random' words as their reference. And generally, individual payments show the name of the account holder the payment comes from. And given he's said payments come from people he makes contact with through social media, it seems strange Mr D would ask people to use random words rather than their social media handles, which I've noted some people have used as their reference rather than random words. I'd also add that the payment reference in question here isn't a random word, it's a well known high street retailer that matches the story the payer has given when disputing the payment.

Overall, the details the payer has provided when disputing the payment they've made to Mr D seem persuasive and match the payment reference they've used. This dispute has come from the payer's own bank, and I think it's reasonable Starling relied on it to start its investigation. I'm satisfied Starling has given Mr D reasonable opportunity to evidence he hasn't acted fraudulently and I don't think the information it's requested from him is unreasonable. Mr D has been unable to provide any evidence to support his position.

Taking all of this into account, overall, I think Starling had sufficient evidence for the Cifas marker to be recorded and it doesn't need to take any further action.

My final decision

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 D to accept or reject my decision before 23 December 2021.

Faye Brownhill
Ombudsman