

## The complaint

Mr C complains that EQUIFAX LIMITED ('Equifax') has recorded a marker at CIFAS, the national fraud prevention database.

## What happened

Mr C explains that in September 2020 he attempted to obtain information from Equifax about his credit record by registering for an online account. He was unhappy to be told that his account was blocked due to suspected fraud and that a marker had been registered at CIFAS. He didn't want to provide all the identification required and complained. He tried to access his account again in March 2021 and a further marker was added. The marker initially affected his ability to get a financial product.

Equifax said it hadn't made a mistake. It suspected fraud and had applied a protective marker at CIFAS. This shouldn't affect Mr C's ability to access financial products although further checks might be needed. It issued final responses to his complaint and in the latest one dated 25 May 2021 said that in addition to providing the identification it would now need to speak to him to confirm the details. It said it apologised for any inconvenience but that it wanted to make sure it didn't provide a credit report to the wrong person.

Our investigator didn't recommend that the complaint be upheld. He said that we aren't the regulator and so don't have a role in setting processes. It was a matter for Equifax to decide what information it needed to verify a person's identity. He said it was in Mr C's interests that security checks are reinforced to reduce the likelihood of personal information being seen by someone who wasn't entitled to it. Mr C had challenged this through other credit reference agencies where he said he hadn't been required to provide photographic identification to get access. But again, it was a matter for Equifax to decide what it needed.

Equifax had recorded a 'victim of impersonation' marker at CIFAS. This was put in place to protect him and the CIFAS website stated in relation to this that:

*...This warning will have been placed by one of the organisations that uses Cifas to protect your identity. The warning is there to make it clear you are the genuine, innocent party, and that you have been (or suspect you may be) the victim of an identity theft.*

*Any organisation that subsequently receives that warning will see the phrase 'Cifas – Do Not Reject – Validation Required'. It reminds them that extra precautions must be taken to ensure that the application or facility is genuine, protecting you from further fraud. A 'Victim of Impersonation' warning remains in place for **13 months** from the date of submission."*

Our investigator said that there could be a number of reasons why a fraudster might want to access information from a credit record. The impact of such a marker wasn't expected to be negative but to protect fraudulent access and applications. And it seems that a different financial business may have misread this.

Mr C didn't agree and said that he wanted his complaint to be reviewed by an ombudsman. He said that he didn't trust his information with Equifax and referred to media reports about a past data breach. Given this he couldn't see how it had the audacity to add the marker.

He said that the utility bills he sent were more than adequate and that he had disputed the marker through another credit reference agency. He wanted to know what role this service had if we sided with big companies.

### **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 won't be looking at any past general actions of Equifax and which aren't the subject of this complaint. And I don't have evidence that Equifax didn't keep Mr C's information secure. In contrast I am really looking at the impact of its security checks now which Mr C says are too stringent when applied to him. I appreciate how distressed Mr C has been about Equifax's approach and that he can't understand why it won't remove the marker.

Our investigator is right to say that we don't regulate financial businesses and we provide informal dispute resolution. So, I wouldn't tell Equifax how to operate its processes generally, but I can look here at whether they unreasonably affected Mr C.

I'm satisfied that Equifax had a basis for concern about the original application. I don't think its response that it wanted to confirm that it was Mr C making the application to be unreasonable. And in making the application I think Mr C was fairly subject to its processes. The issue was photo identification and while on one hand I understand Mr C's reluctance to provide this, on the other I can see why Equifax needed this noting this is commonly used by financial businesses to verify identity.

In the first complaint response in November 2020 it gave Mr C the impression that a different credit reference agency where he did have an account could dispute this marker for him. He's shown some correspondence with a different credit reference agency about this in May 2021. But it seems that Equifax had heightened its requirements having received a further application in March 2021. And it set this out in its response to his complaint about what happened in May 2021.

The protective marker, as our investigator set out, is designed to flag a concern that Mr C had or may have been the victim of identity theft. The intention was clearly not to affect Mr C's access to financial products although further checks might be required. And so, if this led to a different business declining an account at first then this isn't something Equifax could fairly be responsible for.

I know Mr C is going to be very disappointed when I say that for the reasons I've given I won't be asking Equifax to do anything more. If he doesn't accept my decision he remains free to pursue this matter in court subject to any relevant time limits.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 February 2022.

Michael Crewe  
**Ombudsman**