

## **The complaint**

Mr A complains that Barclays Bank UK PLC (“Barclays”) recorded a fraud prevention marker against him without due cause.

## **What happened**

In May 2018, Barclays received an application for an account in Mr A’s name. It said there were discrepancies within that application – namely an undisclosed address. So it rejected the application, and referred Mr A to Cifas who registered a fraud prevention marker against Mr A.

Mr A said he did not make the application and was unaware of the marker for some time. He said he found out when he was attempting to buy another property through an auction. He paid £6,000 in non-refundable auction fees, and applied for a mortgage. It was all going through until his mortgage advisor notified him that he had Cifas marker registered against him. Having seen it was Barclays who registered this, he got in touch with them. He said he had never been a customer of Barclays, but had applied for an account in late July 2018, but due to a change in circumstances he didn’t complete the application process.

Mr A confirmed with us that the home address used on the application is correct, and that the other address is one he has a mortgage on. He said if asked about his addresses, he would disclose them both. He told us that the phone number on the application wasn’t his – rather it was one of his grandad’s old business mobile numbers. When asked if he thought the application could have been made by someone else, Mr A explained that he had an ex-partner who had taken various financial products out in his name after they broke up in 2017 – leaving him with about £2,000 of debt.

When Mr A complained to Barclays, it reviewed what had happened. It said that it had acted correctly in rejecting the application and referring Mr A to Cifas because they felt he had been dishonest in his account application. They said this because:

- The application rejection letter was sent to his address, but Mr A didn’t get in touch with Barclays to question it at the time;
- The undisclosed address is an address Mr A has a mortgage on, so he must be aware of it;
- It wasn’t typical for a fraudster to use the victims genuine address as this could alert them to the actions of the fraudster.

Mr A remained unhappy, so he came to this service. Our investigator reviewed what happened, and initially recommended that on balance it was most likely Mr A did make the application, but that he hadn’t seen enough evidence to satisfy the requirements for loading Mr A to Cifas. Barclays came back with further evidence – namely around exactly what was asked in the application process – and our investigator agreed that the Cifas marker was fair and reasonable in the circumstances of the complaint. Mr A didn’t agree, so it has come 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.

Having done so, I have reached the same conclusion as our investigator, and for broadly the same reasons. I'll explain why.

The marker that Barclays asked Cifas to apply is for application fraud. For Barclays to record this, it is expected to demonstrate that it has clear, relevant and rigorous evidence to show that during the application process one or more material falsehoods were submitted by Mr A, for the purpose of obtaining a benefit. They don't have to show that a fraud or financial crime has been committed, say, beyond reasonable doubt. But they must demonstrate that there are sufficient grounds to believe a financial crime has been attempted or committed – mere suspicion or concern is not enough.

I need to start by considering whether I think it is most likely that Mr A completed the application, something which he disputes having done. I think it is most likely that he did make the application. I say this because:

- When asked about the application, Mr A said he had not been a Barclays customer and had made only one incomplete application in July 2018. When asked about who else could have made the May 2018 application, Mr A suggested it could have been his ex-partner. He explained that his ex-partner had taken out other financial products in his name without his permission, after they broke up. He hasn't provided any evidence of these or raised disputes about them, as far as this service is aware.
- So I have considered whether Mr A's ex-partner, someone else known to him or an unknown third party could have completed the application without Mr A knowing. Having done so, I don't think this is the most likely explanation here, I say this because it seems unlikely that an unknown third party – or indeed Mr A's ex-partner or someone else known to him – would use his genuine details such as his postal address on the application. This seems like it would provide an unnecessary risk to a fraudster trying to make applications on his behalf. Barclays sent the rejection letter to his address – and one would imagine a fraudster would be aware of the risk of Mr A being tipped off if they had managed to obtain financial products in his name.
- There is also evidence to suggest that the phone number used was linked to Mr A on another occasion – when he failed to pay for goods and services at the undisclosed address. He explained it was a mobile phone linked to his relative's old business – but it seems strange that he was able to identify this if this was the case. And it further would be unusual for his ex-partner or another third party to use this number. So I think it is most likely Mr A's number, or one of his numbers. This again makes me think it is more likely that Mr A completed the application, for the same reasons as using his address does.
- It is also unclear how a third party could have benefitted if the application had been successful – as they would not have access to the card or correspondence as it would have been sent to Mr A.
- Whilst I accept that an ex-partner could be responsible for this and other applications, and could have the relevant information required to do so, I don't think this is most likely what happened.
- Mr A said he started an application for a bank account with Barclays in late July. He explained this was because he was starting a job which would sometimes pay him in cash, and that there was a branch of Barclays over the road from the workplace, so it seemed a convenient place to open an account. He said he didn't complete the application in the end, as he only stayed with the employer for two weeks. I have seen no evidence of an incomplete application process in July – and I would think it would be unusual to partially complete an application process. The disputed application was completed – so I don't think it is a case of getting two others

confused.

As I've found that I think it is most likely that Mr A made the application, I need to now consider whether the inaccuracies and inconsistencies amount to material falsehoods intended to assist in accessing a financial product; or whether they were more likely to have been innocent mistakes.

I've first considered what the application asked Mr A to provide in relation to his addresses. The application asked for the applicant to provide "*your addresses for the past 3 years*". By Mr A's own admission, he had lived at both the disclosed and undisclosed address within the three years prior to the application being made. I think it is sufficiently clear that he was required to provide any addresses he had lived at for the previous three years, and failed to do so. I cannot see how this could have been done by mistake.

Further, the undisclosed address had negative information listed against Mr A – namely a Cifas marker using the same phone number and the undisclosed address from 2016. As far as this service is aware, this marker wasn't appealed and remains on the Cifas register. There is also a default registered against Mr A at the undisclosed address. This related to a failure to repay a lease or hire contract. This negative financial information could impact whether a bank wishes to do business with someone, which could be a potential motivation for keeping the address hidden in the application. I am satisfied that this amounts to a material falsehood, rather than an innocent mistake, and so I am satisfied that Barclays acted fairly and reasonably in registering Mr A with Cifas.

So, I won't be asking them to do anything with regard to this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 March 2022.

Katherine Jones  
**Ombudsman**