

The complaint

Mr C complains that The Mortgage Lender Limited (“TML”) made an entry about him on the Cifas fraud protection database in connection with a mortgage application and that it refused to remove this.

What happened

Mr C submitted a mortgage application through a broker to TML in June 2018. TML declined the application on the basis that it had suspicions of fraudulent behaviour and recorded an entry about Mr C with Cifas. Mr C made a further mortgage application in August 2018 through a different broker but was advised that it could not proceed.

Mr C contacted TML in December 2020 confirming that the documents he had provided to support his application were false and asking it to remove the Cifas marker. He said that he had bought a P60 and payslips from a website and submitted them as part of his application. He stated that he officially worked at the workplace mentioned in the documentation until 2017. However, he had been working abroad since September 2017 and thought he would therefore not be eligible for a remortgage. He said that had he known that UK citizens working abroad were able to get a mortgage, he would not have made such a mistake and would have confirmed his proof of income from his work abroad.

TML refused to overturn its decision to apply the Cifas marker.

Mr C says that as a result of the Cifas marker, he has had job applications declined which means he is unemployed and has to claim social security benefits. He admits his mistake but says that he has not done this before or since so would like the marker to be removed.

Our investigator looked into Mr C’s complaint and was of the view that TML hadn’t acted unreasonably in making the report to the fraud prevention agency or in deciding not to remove it. This was because Mr C had submitted a false P60 and payslips which he had purchased on a third-party website in support of his mortgage application. She therefore didn’t think TML had done anything wrong and couldn’t fairly ask it to remove the marker.

Mr C disagrees with this so the case has come to me to make a decision. He says that when making a decision, this service should look at whether a person has done this kind of thing before, the time since the mistake was made (which was nearly four years ago, and the record remains for six years) and whether the action has been repeated.

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 carefully considered all the evidence and arguments, I agree with the investigator for broadly the same reasons and I've explained these further below.

Fraud prevention databases play an important role in the financial services sector, allowing the sharing of information with financial businesses to protect themselves and their customers from fraud. However, the consequences for an individual of being added to a database can be severe, so it's important that a marker is only entered where it can be justified.

A business needs to have reasonable suspicion of fraud in order to apply a Cifas marker with sufficient evidence to back this up. There are various fraud offences, but a common feature is that a financial business has found dishonesty in the information supplied by the customer.

I've taken this into account when looking at Mr C's case. Having done so, I'm satisfied that TML hasn't acted unfairly when it placed the marker on the Cifas database.

TML's concerns were based on the fact that it suspected false employment and income were declared as part of a mortgage application made to it and false documents were supplied to support this. Mr C later contacted TML confirming that he had purchased the P60 and payslips and used these to support his mortgage application. Mr C therefore accepts that the documents he provided in support of his application were false.

Whilst I have noted what Mr C has said about the circumstances of him purchasing the payslips online and that he made a 'mistake' which was an isolated incident some time ago, this doesn't affect my view of whether TML applied the marker fairly. The submission of false documents to support an application is exactly the type of situation which TML should reasonably report to Cifas.

In light of the above, I don't think it was unfair that TML put the marker on the Cifas database and I don't require it to take any further action.

My final decision

For the reasons I've explained above, I don't uphold this complaint and don't require The Mortgage Lender Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 March 2022.

Rachel Ellis
Ombudsman