

The complaint

Mr D complains that Clydesdale Bank Plc, trading as Virgin Money, treated him unfairly by recording information about him on fraud prevention databases following a mortgage application.

What happened

In 2018, Mr D applied for a mortgage of around £411,000 plus fees, with Virgin Money. A mortgage offer was provided but then revoked and Virgin Money entered markers in his name with two fraud prevention agencies – National Hunter and CIFAS.

Later, Mr D applied for a mortgage through a broker but was declined. He found out about the markers and complained to Virgin Money. It declined to remove the markers and so he brought his complaint to this service.

Our investigator considered the matter and recommended that Virgin Money remove the CIFAS marker, but not the National Hunter marker. Virgin Money agreed to remove the CIFAS marker and downgraded the National Hunter entry from 'fraud' to 'inconsistency'.

Mr D remained unhappy with this outcome as he says the information he provided in his application was accurate and correct and asked an ombudsman to consider the complaint.

I issued a provisional decision setting out my thoughts on the complaint.

My provisional decision

In my provisional decision I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As the CIFAS marker has now been removed and the National Hunter marker downgraded to 'inconsistency' - all that remains for me to decide is whether, based on the information now available, it would be fair for Virgin Money to remove the marker with National Hunter.

National Hunter defines an inconsistency status as 'a clear discrepancy between information provided by the consumer and information found, or not able to be found or verified elsewhere'. I think that there were clear inconsistencies in the information provided at the time of the application. And with these inconsistencies in mind, I don't think that Virgin Money acted unfairly when it applied the marker in 2018.

So I've gone on to consider if, with the new information that Mr D has since provided, it would be fair for Virgin Money to now remove the marker. On balance, I think these inconsistencies have now been explained. Virgin Money was not able to confirm the salary Mr D declared with Her Majesty's Revenue and Customs (HMRC), but this has since been explained by his accountant that there was an issue with his tax code. And not being able to verify the information in this way is not - in isolation - a reason

to enter a marker.

I've kept in mind that the income information declared in the application form is consistent with the other the evidence provided – namely Mr D's payslips and bank statements.

As Virgin Money was willing to remove the CIFAS marker and now these inconsistencies have been explained, I think that the rationale for the National Hunter marker to remain falls away – regardless of the fact that it has been downgraded.

Having thought about everything, I think it would be fair for the marker to now be removed.

Responses to my provisional decision

Both parties accepted my provisional decision. Virgin Money said that it has amended the National Hunter marker from 'Inconsistencies' to 'Clear'. Mr D provided further insight as to the impact the presence of the marker had.

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've thought again about what I said in my provisional decision. In light of the fact that it was accepted by both parties, I see no reasons to change my mind.

Putting things right

For the reasons I gave in my provisional decision, I remain of the view that the marker should now be removed.

My final decision

For the reasons I've given, I uphold this complaint and direct Clydesdale Bank plc, trading as Virgin Money, to remove the marker with National Hunter in connection with the 2018 mortgage application.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 28 March 2022.

Camilla Finnigan

Ombudsman