

The complaint

Mr D has complained about Tesco Personal Finance PLC registering a marker against him at CIFAS, the national fraud database.

What happened

Both sides are most familiar with what happened, so I'll summarise things in brief.

In January 2020, Tesco registered a marker against Mr D at CIFAS.

In December 2020, Mr D was told his personal credit card would be closed, and he was turned down for a corporate credit card. He also faced trouble passing a security check at work. He found out about the CIFAS marker and complained.

In January 2021, Tesco agreed they hadn't had enough conclusive evidence to add the marker, so they removed it with immediate effect. They apologised and offered Mr D £500 compensation.

Following this, Mr D was able to pass the security check and successfully reapply for the corporate card, and his personal credit card was reinstated.

Mr D felt the offer of compensation was not sufficient, and came to our service.

Our investigator looked into things independently and felt the offer was fair. Mr D didn't agree, so the complaint's been passed to me to decide.

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.

It seems both sides accept that Tesco got things wrong in adding this CIFAS marker, so I've considered how they should put things right.

In doing so, I've carefully considered the impact this all had for Mr D. I understand he's found the matter very stressful indeed, and I'm grateful for his candid and open testimony in explaining his side of things.

First, I understand that Mr D was caused some real embarrassment at work when he was unable to pass a security check. And I can certainly understand his stress there. From what I understand, that should now have been resolved as the marker was removed. But I've taken the stress and embarrassment of the situation into account.

I also understand it was inconvenient for Mr D to be without his personal credit card, not least as it was over the holiday period. Similarly, I understand that he was only able to get the corporate card once this marker was removed. So I've taken that into account too.

With that said, I have also taken into account that once Mr D disputed the marker with Tesco, they looked into things and removed it really rather quickly – in just a handful of working days. So Mr D was only left without access to those credit cards for a few weeks. That's certainly a real inconvenience, but not something I'd consider a serious disruption to life nor a sustained period. And I've not seen any evidence that the marker affected Mr D's credit in any other ways.

Lastly, I appreciate that Mr D had to put effort into sorting things out, like speaking to his card provider, Tesco, and CIFAS. So Tesco needed to put that right, too. Though I've also kept in mind that Tesco acted quickly to sort the marker out, which meant Mr D had to go to significantly less trouble than he would've had things dragged on.

In terms of putting things right, I do understand why Mr D would like an apology from Tesco. The problem is that if I were to tell Tesco to apologise, their apology would seem forced rather than genuine – they'd be saying sorry because I told them to. Further, I can see that Tesco already apologised, and that clearly has not repaired the relationship between Tesco and Mr D. So I don't think another apology is likely to help here.

Instead, we often tell businesses to pay compensation, to recognise what they got wrong and the impact it had. When it comes to the amounts, it's worth bearing in mind that we're here to resolve complaints informally, and not to fine or punish businesses. We also only consider things that happened, rather than what could've happened. And I can only consider what impact this all had on Mr D, and not any impact it might have had on anyone else.

We have guidelines about what levels of compensation to award, and I need to be consistent with that. I've taken into account the considerable trouble and upset Mr D was caused and the efforts he made to fix things; but also the relatively short period it happened over, Tesco's promptness in apologising and sorting things out, and that Mr D was ultimately able to pass the check and have both cards. With everything in mind, I agree with our investigator that £500 compensation is fair. Tesco should pay this to Mr D if they haven't done so already.

My final decision

For the reasons I've explained, I think Tesco Personal Finance PLC have already made a fair offer to resolve the complaint. I don't award anything further in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 4 May 2022.

Adam Charles
Ombudsman