

## The complaint

Mr K has complained that Clydesdale Bank Plc (also known as Virgin Money) registered a marker against him at CIFAS, the national fraud database.

## What happened

In early 2020, Mr K applied for a credit card with Clydesdale. He says there was a technical error when he tried to submit the application, so he may have submitted it twice.

Clydesdale received three applications. They said there were inconsistencies across the applications and some of Mr K's information flagged up as having been previously used for fraud. They registered an impersonation marker at CIFAS, but told Mr K they'd remove it if he came into branch with ID to prove who he was.

Mr K explained he was unable to go into branch and would only send his ID by email, which Clydesdale wouldn't accept. Mr K came to our service. He reiterated he didn't want to go into branch, saying it was inconvenient.

Initially, Clydesdale didn't provide much evidence to back up their marker, and Mr K provided us with his photo ID to show he was who he said he was. So our investigator upheld the complaint, telling Clydesdale to remove the marker and pay Mr K £200 compensation.

Clydesdale didn't agree, and the complaint was passed to me to decide. I gathered further information from Clydesdale to see why they'd added the marker, and arranged for Mr K to complete an online verification process so that he didn't have to go into branch.

I sent Mr K and Clydesdale a provisional decision on 2 March 2022, to explain why I thought the complaint should be upheld in part. In that decision, I said:

*I need to consider whether this report to CIFAS was made fairly. On this point, Clydesdale needed to have more than just a suspicion or concern, but they were not required to prove beyond all reasonable doubt that Mr K had done something wrong. They need to be able to show they had reasonable grounds to believe that fraud or a financial crime had been committed or attempted, with appropriate supporting evidence.*

*Based on what I've seen so far, I think Clydesdale initially had good reason to believe that these applications were fraudulent. And so I don't think they acted unreasonably by adding the CIFAS marker. But I am now satisfied that Mr K is indeed who he says he is – he was not impersonating anyone. So I think the marker should now be removed. I'll explain.*

*From Clydesdale's perspective, they received three applications in quite close succession. The second may have been Mr K submitting twice by accident, but the third was over 16 hours later and looked very much deliberate. And there were concerning inconsistencies across those applications. For example, on each application Mr K gave different time periods for which he'd been with his current bank. Some of the details he provided appeared to be invalid, such as a home phone number that was actually a dead line. And some of the information flagged up as having previously been used for fraud. Putting all of that together, I think Clydesdale had reasonable grounds to believe that fraud or a financial crime was being attempted.*

*Following that, Mr K refused to follow Clydesdale's verification process by presenting his ID in branch. I do understand that it was not convenient for him, but again it meant Clydesdale had good reason to maintain the marker.*

*Mr K has since said that he did actually visit the branch, and they must have lost the copy of his ID. But his previous testimony was repeatedly clear that he was unable or unwilling to go to branch, and there's no record of this branch visit on Clydesdale's end. So the evidence doesn't support this.*

*I don't think Clydesdale did anything substantially wrong in registering this marker, given the information they had at the time.*

*However, Mr K has since shown that he is the real Mr K and was not impersonating anyone. He provided our service with his ID and has also now gone through an alternative verification process with Clydesdale. So the impersonation marker should be removed.*

*Clydesdale have pointed out that Mr K has an unrelated previous conviction, and other CIFAS markers in his name. While I understand their thinking, that's not actually very relevant in this case. There's no category of CIFAS marker for having a previous conviction, nor for having other CIFAS markers. In order to keep this impersonation marker, Clydesdale need to be able to show that Mr K was committing an impersonation. But he wasn't, so they can't, and so the marker should now be removed.*

*Lastly, I've considered whether Clydesdale should pay compensation to Mr K for what happened. But as I explained above, I don't think Clydesdale did something wrong or acted unreasonably in initially adding the marker – given the evidence they had at the time, Mr K's applications really did appear to be fraudulent. So I don't plan to make any further award other than removing the CIFAS marker.*

I said I'd consider anything else anyone wanted to give me – so long as I received it by 30 March 2022.

### **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.

In response to the provisional decision, Mr K let us know he accepted it.

Clydesdale raised further concerns about Mr K's previous sentence. However, that remains irrelevant to this marker. As I said before, there is no CIFAS marker for having a previous conviction. And the only way *this* CIFAS marker would be correct would be if Mr K was committing some kind of impersonation here. But he was not impersonating himself. So it remains the case that Clydesdale's marker was wrong, and that they need to remove it now. Though as I said before, I don't award any compensation as I don't think Clydesdale acted unreasonably in initially adding the marker.

Aside from that, neither side added any new evidence or arguments regarding the merits of the case. So having reconsidered things, I've come to the same conclusions as before, for the reasons set out here and in my provisional decision above.

### **My final decision**

I uphold Mr K's complaint in part, and direct Clydesdale Bank Plc to remove the CIFAS marker in dispute.

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

Adam Charles  
**Ombudsman**