

The complaint

Mr M has complained that Santander UK Plc registered a marker against him at CIFAS, the national fraud database.

What happened

In May 2019, Mr M applied for a current account with Santander, and was asked to provide 3 years' worth of address history. He told Santander he'd been at his current address since mid-2017, and a previous address since mid-2013. Then Santander found defaults and a county court judgement (CCJ) at two other addresses from late 2013 and early 2014. They registered a CIFAS marker against Mr M for not disclosing the addresses with adverse data.

Mr M says he found out about the marker when his mortgage offer got withdrawn. He says he gave Santander his address history as best he could, and he was unaware of the adverse data at the older addresses. He pointed out that Santander had only asked his address history of the last 3 years, and the addresses with the adverse data were from longer ago than he was asked for.

Our investigator looked into things independently and didn't uphold the complaint. Mr M didn't agree, so the complaint was passed to me to decide. I asked Santander for more details about the application and their checks, and asked Mr M for any evidence he had of when he was at each address.

I sent Mr M and Santander a provisional decision on 7 April 2022, to explain why I thought the complaint should be upheld. In that decision, I said:

Based on what I've seen so far, I think this marker should be removed – I'll explain why.

I need to consider whether this report to CIFAS was made fairly. On this point, Santander needed to have more than just a suspicion or concern. They need to be able to show that they had reasonable grounds to believe that fraud or a financial crime had been committed or attempted, backed up by evidence which would support reporting this to the authorities.

The current account application said: "We need to know where you've lived over the last 3 years". And from what I've seen, Mr M gave Santander the two addresses he'd been living at for the past 3 years at the time. The application then said, in effect, that no further data was required. The defaults and CCJs were from over 5 years before the application. And Mr M wasn't asked about his address history that far back. So Santander's assertion that he was deliberately withholding address data doesn't seem to hold up. He wasn't asked about his addresses that far back, and wouldn't have necessarily known that they were relevant.

Further, Santander never spoke to Mr M about this or gave him any chance to clarify things before registering the CIFAS marker. I don't think this was good practice. And it makes it difficult for them to now show this was not simply a mistake, misunderstanding, or oversight. It's hard to see how Santander can think they have such strong evidence that they could report this to the authorities, when they didn't make any attempts to check Mr M's answers at the time.

Indeed, Santander seems to have quite little evidence to back up this marker. The defaults and CCJs are for accounts that started in 2012. There's every chance that the accounts defaulted or went to court after Mr M had moved out. So Santander has only really shown that Mr M was at those addresses in 2012. They haven't provided anything to show that Mr M was still there in 2013 or 2014, such as electoral roll data. Indeed, Mr M says he was unaware of the defaults and CCJs because he'd left those respective addresses by then.

Mr M explained he doesn't still have things like his old tenancy agreements for those addresses, which is understandable given the time that's passed – he moved in up to a decade ago or longer. But he was able to provide historic payslips, which showed that from at least July 2013 onwards, his address was indeed the second address he gave Santander, and not the older ones with the adverse data. This tends to suggest that Mr M really did move out of those addresses before that adverse data was added. And again, it bears repeating that he was only asked for the last 3 years' worth of addresses – which only went back to mid-2016 at the time of the application. So it would be quite understandable if he didn't think to include addresses he'd moved out of 6 or more years before, nor consider them relevant.

It follows that I currently think Santander did not have sufficient grounds to add this marker, and that it should now be removed.

When a business gets things wrong, we often tell them to pay compensation, too – to acknowledge their error and the impact it had. Mr M explained that he missed out on a number of financial products, and specifically a business loan and mortgage. I've thought carefully about this. I can't normally consider losses to Mr M's business, which would be a separate entity to Mr M himself. And I understand that Mr M was since able to get the mortgage after coming to our service – though of course it would have been most distressing to have his offer withdrawn at first. I also need to bear in mind that Mr M had other negative data which may well have hindered him from getting certain financial products anyway. But given the severe effects a CIFAS marker commonly has, I do think it's most likely that this one had a significant effect on Mr M's ability to get credit.

I've also taken into account the considerable distress, upset and worry the marker caused Mr M, as well as the efforts he had to put in to sort things out. Santander need to put all that right. We have guidelines about what levels of compensation to award, and I need to be consistent with those. Taking everything into account, I currently think Santander should pay Mr M £450 compensation.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 5 May 2022. But neither Mr M nor Santander sent me anything new to consider.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

Putting things right

I direct Santander UK Plc to:

- remove the CIFAS marker in dispute; and-
- pay Mr M £450 compensation for the trouble and upset they caused.

My final decision

I uphold Mr M's complaint, and direct Santander UK Plc to put things right in the way I set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 June 2022.

Adam Charles
Ombudsman