

The complaint

Mr E complains that Lloyds Bank PLC registered a marker at CIFAS, the national fraud database when it closed his account.

What happened

Mr E says that his account at Lloyds was closed in December 2017. But that he didn't find out about the marker registered at that time until 2021. He has had difficulty in accessing financial products.

Lloyds issued a final response to his complaint saying that it hadn't made a mistake. After Mr E had referred his complaint it told this service that it would be removing the marker as it didn't consider that the evidence if had met the criteria for CIFAS.

Our adjudicator recommended that Lloyds pay Mr E £250 for distress and inconvenience. Mr E had explained that for a period he'd used a friend's account to receive his salary which has been difficult. And this also caused him embarrassment with his employer. Although he said that the CIFAS marker had stopped him obtaining a mortgage he'd not been able to provide evidence of that or of the additional bank charges he says were incurred.

Mr E didn't agree that the compensation was sufficient. He said that the starting point for getting a mortgage was having an account which he didn't have. The other bank account he had was closed about three years ago.

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.

There is a high bar for adding a CIFAS marker. And here Lloyds has accepted that it can't now support this with the evidence we'd expect to see. So, I don't need to look at what happened in any detail. The concern was about a payment into Mr E's account. In discussion with this service he's said that he thought that this was a mistake and he was waiting for Lloyds to contact him about it. He had also spent this money. Having looked at his bank statement I can't see any evidence that it was returned.

Mr E thought his difficulty with getting a bank account elsewhere was connected to issues with other identity documents. And when that was resolved and his applications for accounts at other financial businesses were still declined he found out about the marker and contacted Lloyds. I don't doubt he might have wanted to apply for a mortgage. But I'd need some evidence from him about that. I'd also need to be satisfied that the only reason that he couldn't have a mortgage was due to the CIFAS marker.

I can think about compensation for his distress and inconvenience. I take into account that he didn't seem to do anything about this money he wasn't expecting into his account. And I've looked at our published guidelines about distress and inconvenience and reached my own judgement. Having done so I consider that the compensation recommended by our

adjudicator of £250 is reasonable. I appreciate that Mr E wants more. He's indicated he might pursue this in court and if he doesn't accept my decision he's free to do this subject to any relevant time limits.

My final decision

My decision is that I uphold this complaint and I require Lloyds Bank PLC to:

- 1) Remove the CIFAS fraud marker involved here.
- 2) Pay Mr E £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 8 August 2022.

Michael Crewe
Ombudsman