

## **The complaint**

Mr C complains Clear Score Technology Limited trading as Clear Score didn't carry out proper checks when granting a fraudster access to his credit file.

## **What happened**

Following receipt of a letter from a building society saying his current account was overdrawn, Mr C contacted the provider – explaining he didn't have an account with them. It transpired Mr C was the victim of identity theft, the account had been opened fraudulently and the building society's agent suggested he speak to Clear Score to check for other accounts.

Mr C contacted Clear Score, who told him an account had already been set up in November 2020 – seemingly by the fraudster. Mr C questioned the security checks that allowed the fraudster to open up the account. Clear Score explained the checks they carry out, but Mr C ultimately felt these weren't good enough. He explained the result of the fraudster accessing his credit file had led to over £36,000 worth of fraud with other financial institutions and a significant investment in time to look into matters. So, he complained setting out a series of questions he wanted them to answer.

Clear Score replied to the complaint and set out the checks that are carried out before someone is allowed to register for an account with them. They said they believe this is strong enough and in line with industry standards, although they're currently reviewing this and it may change going forward. They added in terms of actions taken – they'd blocked the account, shared how you register for an account with them, filed the case with Action Fraud, also filed the case with CIFAS, sent off a request to a credit reference agency to add a password to the credit file, and added a fraud marker to the account with them. Because of this, they considered Mr C's case closed.

Unhappy with this Mr C asked us to look into things. One of our Investigators did so, and overall found Clear Score had complied with their account registration processes – so didn't think they needed to compensate Mr C.

He didn't accept this and asked a number of questions – including saying Clear Score had told him they were looking at adding additional security – which he says implies they know it's not secure enough currently. Because Mr C didn't agree with our Investigator, 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.

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr C's complaint in considerably less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of

the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

The crux of Mr C's complaint is Clear Score didn't carry out proper checks when granting access to his credit file, leading to a fraudster taking out accounts in his name and causing him significant distress and time investment to get matters sorted out.

I'd firstly like to say how sorry I am to hear of what's happened to Mr C, as I can appreciate this is a very stressful and unpleasant issue to have to deal with.

I should also make it clear I can only require Clear Score to compensate Mr C if I think they've done something wrong, or otherwise treated him unfairly. I can't require them to take action if I don't find this – nor can I tell them to change their procedures.

I can see in response to the complaint Mr C raised, Clear Score set out in detail their processes for the registration of an account to access a credit file. I won't reiterate this, as Mr C is aware of what's been said, but part of this says the verification is done in stages. If the first stage is passed, then more specific questions are asked. Mr C has said after raising his dispute he's been asked to provide identification, says Clear Score have said they usually ask for identification, so he questions why the fraudster wasn't asked for identification when registering.

But I think Mr C has misunderstood part of the registration processes here. Clear Score have explained there are certain times, such as when someone reports an account has been opened fraudulently with them by someone else, they'll immediately lock down the account – and ask for identification from the person getting in touch to make sure they're dealing with the right person. Clear Score haven't said they'd require identification in all situations of registering an account. I think this explains then why they didn't ask the fraudster for identification but have asked him.

Looking at what happened, it doesn't appear to be in dispute the fraudster was able to obtain enough details of Mr C's to pass the registration processes – but I've seen nothing to suggest Clear Score were in some way responsible for those details falling into the fraudster's hands. I've also seen that Mr C raised concerns with the Information Commissioners Office (ICO) about Clear Score – and they said they didn't think Clear Score had done anything wrong.

Ultimately then, despite Mr C's serious reservations about the quality of Clear Score's processes, I've seen nothing to show they haven't followed them correctly. Because of that, I won't be requiring them to pay any compensation to Mr C.

I have noted Mr C talks about Clear Score saying they were considering adding an additional layer of security – and he says this implies they've accepted their security isn't strong enough. Realistically I think you could interpret this both the way Mr C has, or that Clear Score are looking to make things even more secure than they already are. I don't think this comment alone shows Clear Score have failed to act fairly in Mr C's case – so it makes no difference to the outcome I've reached.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or

reject my decision before 21 October 2022.

Jon Pearce  
**Ombudsman**