

The complaint

Mrs T is unhappy that Financial Administration Services Limited (“FAS”), trading as Fidelity International, rejected her application for an account and failed to disclose information.

What happened

In April 2021, Mrs T applied to FAS for an account. Shortly after the application for the account was accepted, FAS discovered information held on a fraud prevention database—Cifas—which led to it rejecting Mrs T’s application.

Mrs T complained to FAS and submitted a subject access request asking it to disclose information it had received from Cifas, along with any other personal information it held.

FAS responded to Mrs T’s complaint not upholding it as it felt it had closed the account in line with the terms and conditions. It provided Mrs T with details on how to contact Cifas for information held on its database. It also asked that an alternative form of identity document be provided if she wished to proceed with a subject access request for personal information FAS held on her.

Mrs T remained unhappy, so she referred her complaint to our service for an independent review. An Adjudicator considered all the evidence provided by both parties but concluded that FAS hadn’t made an error.

In summary, they felt that FAS had closed the account fairly and in line with the terms and conditions. They also felt that FAS’s request for another form of identity document was reasonable in the circumstances.

Mrs T disagreed. She felt that as FAS specifically said in its letter that it had “received” information from Cifas, she was entitled to that information. She also didn’t agree that information had been recorded with Cifas as this wasn’t displayed on her credit report.

As Mrs T disagreed with the Adjudicator’s assessment, the matter has now been passed to me for a final decision.

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.

Account closure

Businesses have the right to terminate a relationship with a customer as long as this is done fairly, doesn’t breach law or regulations and is in line with the terms and conditions of the account.

Here, FAS received information from a third-party fraud prevention database while processing Mrs T’s application. FAS went even further here to ensure the information it’d seen was accurate by calling the business that had loaded it. This contact confirmed the

information it'd seen on the database was accurate and it decided to refuse the application.

The terms and conditions of the account, which Mrs T agreed to when opening it, state:

'1.3 opening your account...(f) These Terms come into force when we accept your Application. This is normally on the Business Day we receive it. At our discretion, we may refuse any Application or other instruction, without providing a reason for doing so.'

Considering all the above information, I find that FAS has acted reasonably here. It took information it had found using a third-party database, confirmed this with the business that had recorded it to ensure it was accurate and refused the application in line with its terms and conditions.

Furthermore, it took the additional step of informing Mrs T that it'd relied on information recorded on the Cifas database and provided her with details on how and where she could go to obtain this information.

Information disclosure

As Mrs T is aware, she does have the right to request personal information FAS holds on her which can be obtained through, what is commonly referred to as, a subject access request. However, the main information Mrs T wants disclosed isn't held by FAS.

Mrs T wants the information that is held on the Cifas database that FAS has relied upon to make its decision: but that information isn't FAS's to disclose. FAS has already provided information on how Mrs T can apply to Cifas for information it holds on her despite not being obliged to do so.

Mrs T, and her representative, have argued that the letter they were sent from FAS specifically stated that it'd "received" information from Cifas, meaning it held the information in one format or another and should be disclosed. However, information can be received verbally over the telephone and visually through witnessing it on a third-party database. This doesn't necessarily mean it has been recorded or that Mrs T is entitled to the data through an information request under the relevant data right's laws.

Nevertheless, FAS was unable to deal with Mrs T's subject access request as she hadn't provided the relevant identity documents it had asked for in its formal response. As it was unable to verify Mrs T's identity through the photocopy of her passport provided, I don't find it unreasonable that it asked for an alternative form of identity document prior to disclosing personal information. As, at the time of complaint, Mrs T hadn't provided this proof of identity, I don't find FAS has made an error when dealing with her request.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 18 January 2023.

Stephen Westlake
Ombudsman