

## **The complaint**

Mrs G complains that One Savings Bank Plc (trading as Kent Reliance) made entries against her on fraud prevention databases after she made a mortgage application.

## **What happened**

Mrs G applied for a mortgage via a broker in September 2016. As part of the application, Kent Reliance asked her for evidence of her income.

Mrs G provided the information required but Kent Reliance declined her application. Mrs G later found out that Kent Reliance had recorded entries about her on two fraud prevention databases – Cifas and National Hunter, saying that they were unable to verify her income.

Mrs G feels that she has been treated unfairly and says that these markers have been put against her name in error and would like these removed.

Kent Reliance said they had applied the markers correctly after obtaining information from a third party but wouldn't give any further information about it. They said the application was reviewed by one of their underwriters and they declined the mortgage application.

Mrs G remained unhappy with what Kent Reliance had said, so she brought her complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. Our investigator thought that Kent Reliance should remove the fraud markers as they didn't have enough evidence for applying them in the first place. He also thought that Kent Reliance should pay Mrs G £200 for the trouble and upset she had been caused.

Kent Reliance accepted what the investigator said and told us they have removed the fraud makers from both Cifas and National Hunter databases. However, Mrs G remained unhappy and said she had suffered financial loss because of the markers.

Mrs G said she has damages of around £10,000 because of the fraud markers and would like more compensation. Our investigator said that if Mrs G was able to provide evidence that she had any mortgage applications declined solely because of the fraud markers – then he would consider that loss. However, Mrs G was unable to provide any evidence. She said that she was able to get a mortgage with another lender but at a higher interest rate.

Our investigator didn't think there was any financial loss to consider, so as Mrs G disagreed, she asked for the case to be referred to an ombudsman, so it has 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.

Having looked through the complaint, I agree that the fraud markers should be removed as it's clear Kent Reliance didn't have enough evidence to apply them against Mrs G's name. I note that Kent Reliance have said they have done this. So I'll be focussing solely on the arguments that Mrs G has made about suffering financial loss.

Mrs G has said she has around £10,000 worth of damages as a result of the fraud markers being applied. Since being asked for specific information as to what this relates to, it's unclear as to where this loss is from.

Mrs G has explained that because Kent Reliance declined her mortgage application, she had to take a mortgage out with another lender and ended up paying a higher interest rate. While I understand having a higher rate of interest is frustrating for Mrs G, it's unfair to say that Kent Reliance is responsible for this as it appears that Mrs G was still able to get a mortgage which is what she was looking for at the time. There was never any guarantee that Kent Reliance would grant the mortgage Mrs G wanted, at a particular interest rate.

Our investigator asked Mrs G if there were any instances where a different mortgage application had been declined solely because of the fraud markers that Kent Reliance applied against her name – but Mrs G hasn't provided any evidence of that, or of the mortgage she did get having a higher interest rate than she would have got, but for the markers.

Mrs G has explained she wants more compensation, but it appears to me that her possible losses are in relation to the fact that she is paying more interest on a mortgage than she intended to. But this isn't something I can hold Kent Reliance accountable for. Lenders have their own lending criteria, and we cannot force a lender to lend to a borrower. But what would be unfair is if that lender applied fraud markers against an applicant's name when they didn't have enough evidence to do so – as Kent Reliance did here.

I therefore have no further basis for awarding any further compensation to Mrs G. I think the £200 that our investigator thought was fair, is reasonable in this situation as I understand that this did cause Mrs G some stress and inconvenience.

I appreciate that Mrs G will be disappointed with my decision, but I won't be asking Kent Reliance to make any further payments to Mrs G. I don't think Kent Reliance have made this award to Mrs G yet, because she remained unhappy with the outcome. So if they haven't made this payment already, they should proceed to do so.

### **My final decision**

For the reasons given above, I uphold this complaint and direct One Savings Bank Plc (trading as Kent Reliance) to pay Mrs G £200 for the stress and inconvenience caused.

They should also ensure they have removed all markers from fraud prevention databases if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 7 March 2023.

Maria Drury  
**Ombudsman**