

The complaint

Mr R complains about a marker Kensington Mortgage Company Limited recorded against his name on a fraud prevention database. He wants the marker removed because it's having a significant impact on him.

What happened

Mr R applied for a mortgage with Kensington. Kensington declined his application and recorded an entry about him with Cifas, a fraud prevention database. It did so on the basis that Mr R had falsified documents to try to get a mortgage.

Mr R asked Kensington to remove the marker. He said he had altered his savings account statements, thinking that doing so would result in his mortgage application progressing more quickly. He had since realised that this was the wrong thing to have done and he was sorry, but said that the deposit for the property he wanted to buy was legitimate and he could prove it.

Kensington said Mr R had altered his account statements and it had done nothing wrong in recording the marker. It wouldn't remove the marker.

Mr R got in touch with the Financial Ombudsman Service. Our Investigator didn't recommend that the complaint be upheld. He found that it was reasonable for Kensington to have recorded the marker, and there were no grounds on which he could fairly ask it to remove the marker now.

Mr R didn't accept that and asked for a review. He said he understands he made a stupid mistake, but the marker is having a huge impact on his life and he can't get a bank account or a mortgage because of it.

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.

Lenders should only record markers on fraud prevention databases where they have good grounds to do so. The various databases, including Cifas, set out what they expect from their members in order for a marker to be recorded.

Here, there's no dispute that Mr R falsified documents in order to try to get a mortgage. He therefore acted fraudulently. In these circumstances, I'm satisfied that Kensington was entitled to record a marker about Mr R with Cifas for fraud.

I note that Mr R has since come to realise the seriousness of what he did and wishes he hadn't falsified the documents. He says he has had bank accounts closed and he can't now get a mortgage.

The existence of the marker doesn't necessarily mean that Mr R won't be able to open other accounts. That's up to the financial businesses he applies to; they will make their own risk assessments and decide whether or not to accept Mr R as a customer and, if they do, on what terms. Mr R may wish to consider explaining what he did to financial services providers when he makes future applications so that they can take proper account of his position.

However, I don't consider that the difficulties Mr R says he's currently facing are grounds on which I can fairly direct Kensington to remove the marker which I have found it was entitled to record. So I don't require it to take any action to settle this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 November 2022.

Janet Millington
Ombudsman