

## **The complaint**

Mr A complains that Metro Bank PLC unfairly registered a fraud marker against him with CIFAS – a fraud prevention agency.

## **What happened**

Mr A explained that at the time of the loan application, he gave an accurate picture about his personal situation to Metro. The loan was to pay for emergency repairs to his vehicle which was required for work.

A few days after receiving the loan, Mr A's partner unfortunately lost her job which impacted his ability to repay the loan as agreed.

Mr A advised Metro about the change in his family's circumstances, informing them that he was in financial difficulties. He approached a debt management charity to help him with his finances. Mr A missed the first month's repayment and was advised to set up a different form of repayment plan. Mr A agreed to this and started to repay the loan back to Metro.

Later, Metro considered that Mr A had deliberately tried to evade payment of his loan and registered an "Evasion of Payments" marker against him with CIFAS. Metro believed that Mr A's notification about his partner's job loss was very close to the loan being granted and together with Mr A's engagement with a debt management charity – that he must have known about his circumstances at the time of the loan. They also questioned why he didn't return the loan once he was aware he'd have difficulties repaying it following the loss of an income.

Metro explained that their loan criteria didn't take family income into account, so the loss of his partner's income shouldn't have impacted his ability to repay it.

Mr A complained about Metro's action towards him and Metro again looked into the matter but didn't change their position. Mr A then brought his complaint to the Financial Ombudsman Service for an independent review where it was looked into by one of our investigators. He thought that Metro didn't have sufficient evidence to support their marker.

He also remarked that Mr A had paid been repaying the loan and recommended that the marker be removed. Also that Metro pay Mr A £300 for the stress caused to him at a time when he was already struggling with family finances.

Metro disagreed and requested a further review of the complaint which has now been passed to me for a 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.

Mr A suffered a reduction in his family's income after his partner lost her job. This appeared to be around the time that the loan for the repairs to his vehicle was made. From what I can

see, Mr A kept Metro informed about his circumstances and arranged to enter a repayment plan. I understand he continued to repay the loan back to Metro under the terms of a managed agreement.

There's no evidence that I've seen that Mr A tried to obtain the loan by manipulating his circumstances. I asked Mr A why he didn't pay the loan back straight away when he knew his circumstances were changing. He explained that he couldn't repay it because it was used as soon as he received it to pay for emergency repairs to his vehicle, which seems a reasonable explanation for why it wasn't returned.

I can understand why Metro thought the timing was suspicious, based on the almost immediate notice by Mr A about his change of circumstances. But, Mr A has explained that he was unaware about his partner's job issue when he made the loan application and kept Metro updated throughout. He did miss the first payment back to them, but soon after entered a formal repayment plan. What this means here is that it would be hard for Metro to argue that Mr A never had any intention to repay the loan.

Whilst I appreciate Metro have said the loan was based on Mr A's personal situation and not that of his family, the loss of an income is likely to impact the family finances. At the time of the loan, Mr A has explained that he wasn't aware of the upcoming loss of an income, so I don't think that his situation or that assessed by Metro at the time could have foreseen the changes. I don't doubt that the added strain on Mr A's income put him in the position where he had to choose how to repay any outstanding debts he'd accrued.

If Mr A had failed to repay Metro or keep them informed, then I would have a different opinion about this case. But, that's not what the evidence presents here. When I've reviewed Mr A's evidence, it looks like, on balance, that Mr A and his family were experiencing very difficult circumstances – rather than a deliberate attempt to defraud Metro.

Metro were required to meet a high bar before they lodged the marker with CIFAS because this can have a significant impact on the individual. I don't think that Metro were able to do that here and the marker should now be removed.

The investigator recommended a payment be made to Mr A of £300. I think this was a reasonable amount to recognise the unnecessary stress and worry caused by Metro's handling of this issue. Mr A was dealing with a difficult situation at the time and Metro added to it by their handling of this issue.

### **Putting things right**

Metro should now remove the CIFAS marker and make a payment of £300 to Mr A.

### **My final decision**

I uphold this complaint against Metro Bank PLC and they're instructed to settle this complaint as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 November 2022.

David Perry  
**Ombudsman**