

The complaint

Mr U complains that NewDay Ltd trading as Aqua registered information about him at CIFAS, the national fraud database, and wouldn't remove it.

What happened

Mr U explains that he applied for a credit card from NewDay in September 2021. His application was declined, and he found that the information had been registered. He asked NewDay to remove it, but he says it refused to do so.

NewDay said it had added a protective marker to CIFAS which was because it thought that Mr U was being impersonated in the application. When he complained it said that he would need to contact its fraud department to make the necessary checks.

Our investigator said that NewDay had concerns that the application wasn't genuine and added information at CIFAS to show that he had been the 'victim of impersonation'. The purpose of this was to alert other CIFAS members to take extra care when considering an application from Mr U. So, it didn't have negative connotations for Mr U as this involved a protective rather than negative marker. Although NewDay said Mr U hadn't contacted the fraud department he didn't have reason to doubt Mr U's testimony. So, he thought that NewDay ought to have removed the information when Mr U asked.

Our investigator didn't think that there had been detriment to Mr U. While Mr U hadn't applied for any further bank account it was highly unlikely he'd have been declined solely due to this information at CIFAS. And so, he didn't recommend that the complaint be upheld.

Mr U didn't agree. He didn't think that this was being taken seriously and he wasn't happy with the position. He'd been unable to obtain an account. So, he wanted an ombudsman to consider the case.

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.

NewDay has explained that when it received the application here it wasn't satisfied that it was from Mr U. And so, it declined the application and registered the information at CIFAS in line with its processes. As has been set out this involved a protective marker and is to alert other financial businesses.

Mr U had contacted this service before the final response from NewDay about his complaint. And he is clear that he called NewDay after that and he's given the name of the person he spoke to. NewDay was asked to search for a record of any calls with Mr U after the final response. And couldn't find anything. That's unfortunate as it ought to have been possible for this to be dealt with rather than as Mr U says happened him then being told by NewDay to pursue the matter with this service.

Having said that I agree with our investigator that the information at CIFAS oughtn't to have affected the prospects of the success of any other applications. Although there would likely to be greater checks made.

Mr U says that he'd been told by a different financial business that this marker would lead to his application being declined. And he was worried about a record of declined applications on his limited credit record. So, he didn't want to apply for any accounts. I'm not clear here that the business involved understood the nature of the information at CIFAS to be protective when contacted by Mr U. And there's no actual evidence to support that this information at CIFAS would have adversely affected his application - and rather say than any other factors.

NewDay has confirmed that there are now no markers registered by it at CIFAS about Mr U and which seems to be due to the passage of time – a protective marker normally remaining for 13 months.

I appreciate that Mr U wants to be compensated for what happened. And is unhappy that our investigator didn't recommend this. Having considered all the information I know I'm going to disappoint him when I say that I won't be awarding compensation. The reason for that is that I'm not persuaded that the information at CIFAS caused Mr U detriment and would have been a factor in an application for a financial product being unsuccessful. We wouldn't tend to make an award for the time spent in him bringing a complaint. If Mr U doesn't accept my decision he remains free to pursue this matter in court subject to any relevant time limits.

My final decision

My decision is that I do not uphold this complaint in the sense that NewDay Ltd trading as Aqua does not need to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 17 March 2023.

Michael Crewe
Ombudsman