

The complaint

Mrs O complains that Clear Score Technology Limited allowed an unauthorised third party to access her personal information which resulted in identity theft.

What happened

A third party was able to open a Clear Score account in Mrs O's name. Mrs O has explained that she was the victim of identity theft with a fraudster being able to open credit cards and loans in her name. Mrs O has confirmed that when she after she found she was able to deal with the businesses involved and the accounts were closed.

Mrs O complained that Clear Score had allowed someone to open an account in her name. Clear Score said the fraudster had used Mrs M's private information to open an account and that they'd answered security questions to complete the verification process. Clear Score didn't agree it made mistakes that led the fraudulent account being opened.

Last year, Mrs O contacted Clear Score again after noticing soft credit searches she hadn't authorised on her credit file. Mrs O had to chase Clear Score for a response over the course of several months. Clear Score's told us there was a technical issue with its email system which meant Mrs O's emails weren't added to her account. Mrs O also said her account was locked.

Mrs O referred her concerns to this service and they were passed to an investigator. They didn't think Clear Score had made mistakes when someone was able to fraudulently open an account in Mrs O's name as the fraudster was able to answer the security questions and pass the verification process using her personal information. But the investigator thought Clear Score had taken too long to acknowledge and respond to Mrs O's follow up emails. The investigator asked Clear Score to pay Mrs O £150 for the distress and inconvenience caused.

Clear Score didn't agree so Mrs O's complaint has been passed to me to make 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.

I understand Mrs O was a victim of identity theft and, as a result, experienced a significant amount of trouble and upset. I don't doubt how serious the situation was. But Clear Score has given us a lot of information about its verification process when setting up a new account. And I'm satisfied that the process involved providing personal information and answering security questions based on Mrs O's existing credit file. The fraudster appears to have been able to provide personal information about Mrs O in order to open the account. So whilst I understand the fall out for Mrs O was significant, I haven't found evidence that shows Clear Score made mistakes or acted unfairly.

With that being said, given how upsetting being a victim of identity theft was, I can understand why Mrs O contacted Clear Score after she noticed unusual activity on her account. Mrs O forwarded copies of her emails to Clear Score and I'm satisfied they were correctly addressed and sent as claimed. Clear Score's told us it had a technical problem with its email system around this time and has suggested this is why it didn't receive Mrs O's emails. On balance, I think that's a likely explanation.

Clear Score's also told us it incorrectly advised Mrs O that a new fraudulent account had been created using her details when she raised the issue with it. But Clear Score's confirmed the fraudulent account was opened first and Mrs O later opened a genuine account. As a result, Mrs O's account was initially blocked. Mrs O was only able to access her account once it was unblocked by Clear Score in October 2022. In my view, the issue together with the problems receiving emails from Mrs O caused a reasonable amount of inconvenience for Mrs O over an extended period.

Whilst I understand this was likely a systems issue, I'm satisfied the delay in responding to Mrs O did cause an unreasonable level of trouble and upset over several months. In my view, the fairest way to resolve Mrs O's complaint is for Clear Score to pay her £150 in recognition of the distress and inconvenience caused.

My final decision

My decision is that I uphold Mrs O's complaint and direct Clear Score Technology Limited to pay her £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 24 February 2023.

Marco Manente
Ombudsman