

The complaint

Mr C complains that Clear Score Technology Limited allowed a third party to fraudulently access his credit file.

What happened

Last year, a fraudster was able to open a Clear Score account in Mr C's name and get access to his credit file. Around four days after the account was opened, Mr C contacted Clear Score and advised he didn't open an account with it and suspected fraud. Around four days later Clear Score says it blocked the account.

In the days that followed, Mr C sent various emails to Clear Score raising his concerns about fraud. Mr C enquired about the account opening procedures and the security measures Clear Score uses. Mr C says emails he sent were missed and not responded to in good time. Clear Score later registered Mr C's details with CIFAS and Action Fraud.

Mr C complained that a third party had been able to access his credit file and about the security procedures Clear Score has in place. Clear Score responded and said it uses various security checks when opening an account and that details of someone's date of birth, full name and address history are all requested. In addition, Clear Score says it then checks the details provided externally and asks security questions based on the customers financial history. Clear Score didn't agree it had failed to carry out reasonable checks.

An investigator at this service looked at Mr C's complaint and upheld it. The investigator didn't think Clear Score had made errors when the fraudulent account was set up. But they thought Clear Score had failed to treat Mr C fairly after he made contact to raise his concerns and asked it to pay him £150 for the distress and inconvenience caused. Mr C accepted the investigator's view.

Clear Score didn't agree and said it had moved to block the fraudulent account as quickly as possible. Clear Score accepted agents had missed Mr C's emails but advised this was due to the system it uses and how it displays new messages. Clear Score also said there were delays referring Mr C's details to CIFAS and Action Fraud due to the number of individuals it has that are authorised to do so and lack of availability. As Clear Score asked to appeal, Mr C'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 can understand why Mr C is concerned about Clear Score's account sign up process as a fraudster was able to access his credit file. But Clear Score has provided a reasonably detailed picture of the processes it follows when opening an account. As, described above, someone seeking to access a credit file would need to supply a reasonably large amount of private information. In addition, Clear Score asks questions about the financial history of the individual and has confirmed access can only be granted once these have been answered.

So whilst I understand someone was able to access Mr C's credit file, I'm satisfied Clear Score followed its account opening process and sought to verify the request.

I haven't set out the full timeline above as all parties broadly agree about the background and level of contact between Mr C and Clear Score. In my view, the information available shows Mr C was the driving force behind getting the issue dealt with. He regularly contacted Clear Score, checked what appeared to be mistaken responses to his emails and chased progress. Clear Score's confirmed that because of the way its systems display emails it missed some of Mr C's communications. It's also confirmed that the process of registering Mr C's details with CIFAS and Action Fraud required certain individuals within the office to process. But due to availability and numbers, the process wasn't prioritised until Mr C followed up with another email.

Whilst I haven't been persuaded Clear Score acted unfairly when it opened the account in question, I think the way it handled Mr C's enquiries and concerns caused a reasonable level of distress and inconvenience. And I think a fair way to resolve Mr C's case is for Clear Score to recognise the trouble and upset caused. I've carefully considered the circumstances of Mr C's case and agree with the investigator that £150 reflects the level of distress and inconvenience caused to Mr C and is a fair way to resolve his complaint. So I'm going to proceed on that basis and uphold Mr C's complaint.

My final decision

My decision is that I uphold Mr C's complaint and direct Clear Score Technology Limited to pay him £150.

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

Marco Manente
Ombudsman