

The complaint

Mr L has complained Clydesdale Bank plc, trading as Virgin Money, lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In 2023 Mr L applied to Virgin Money for an account after he started a new job. They weren't willing to grant him an account and turned down his application. They also lodged a fraud-related marker on his record with CIFAS.

Mr L complained and asked Virgin Money to remove the marker. Virgin Money didn't feel they'd done anything wrong and refused to remove this.

Mr L brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and believed Virgin Money's evidence was insufficient to lodge the CIFAS marker. She asked them to remove the marker and pay Mr L £150 for the impact this had had on him.

Mr L accepted this outcome. Virgin Money didn't. They didn't feel they'd done anything wrong and certainly were unable to see why compensation should be paid.

Mr L's complaint has been referred to an ombudsman.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous.”

So Virgin Money must be able to provide clear evidence that an identified fraud was being committed and Mr L was involved.

There's also a requirement that Virgin Money should be giving Mr L an opportunity to explain what was going on.

I've seen the evidence provided by Virgin Money. This confirms they had received an application from Mr L to open an account with them. They were concerned that his credit record showed additional addresses, not all of which were referred to on his application. They believed this may have been done to avoid them becoming aware of a county court

judgement against Mr L.

They turned down his application and added a fraud-related marker to Mr L's record. This meant that his bank decided to close his account and he was required to spend considerable time and effort in trying to find another account. This has all been difficult for Mr L to cope with as he had recently split from his partner, got a new job and was hoping to find somewhere more permanent to live. So the knock-on effects on his mental health were considerable.

I don't believe Virgin Money has met the required criteria to lodge a marker with CIFAS. I agree that Mr L didn't provide all the address information that would have matched his credit record. However there is no indication that Mr L was applying for an account to misuse it in any way. Also I believe – as required by the criteria – that Virgin Money should have checked what was going on with Mr L. He'd have been able to confirm required address information straightaway as I don't believe he was trying to hide anything. And whilst Virgin Money may have continued to decide that he didn't meet their credit criteria for granting him an account, this wouldn't have had such an impact on him.

Putting things right

I will be asking Virgin Money to remove the marker from Mr L's record.

I'm also going to ask them to pay him £150 for the impact this has had. In fact I'd say this is a relatively low amount for what happened. However this reflects in part the role Mr L played in what happened.

My final decision

For the reasons given, my final decision is to instruct Clydesdale Bank plc, trading as Virgin Money, to:

- remove the CIFAS marker from Mr L's name; and
- pay Mr L £150 for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 6 May 2024.

Sandra Quinn
Ombudsman