

The complaint

Mr N complains that Atom Bank PLC trading as Atom Bank incorrectly recorded a marker against him on a fraud prevention database in connection with a mortgage application submitted in his name. Mr N says he was the victim of impersonation fraud and Atom should remove or alter the marker recorded against him.

What happened

In April 2023, Atom received a mortgage application in Mr N's name via a broker. This was to purchase Mr N's current home, which he was renting. The application was declined, and an entry was recorded against Mr N with CIFAS, a fraud prevention database.

Shortly after, Mr N's bank (B1) told Mr N that it was suspending the bank account he held with it. Mr N says this led him to check his credit file and he found fraudulent mortgage applications had been submitted in his name to several different lenders including Atom. Mr N also obtained information from CIFAS, which confirmed Atom had registered a marker against him for providing it with false documentation.

In May 2023, Mr N called Atom and asked it to remove the marker. He said he'd been impersonated, and that the mortgage application had been fraudulently submitted to it in his name. He also said he could see from the information detailed on the CIFAS record that the National Insurance number, telephone number and email address used in the application weren't his. He also explained that he lived in a property with other adults who had access to his personal information and post, and he had reported the matter to the Police and Action Fraud.

Atom investigated Mr N's concerns, but it didn't uphold the complaint. In its final response dated 22 May 2023, it said it couldn't confirm Mr N had been the victim of impersonation fraud and it didn't agree it had acted incorrectly by recording a marker against him with CIFAS - so it wouldn't be removing the marker.

Unhappy with Atom's response, Mr N referred his complaint to this Service. Our Investigator didn't think Mr N's complaint should be upheld, so Mr N asked for it to be reviewed by an Ombudsman.

I issued a provisional decision to give both parties the opportunity to comment before I finalised my final decision.

My provisional decision

In my provisional decision, I said:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Mr N has brought other complaints to this Service about other lenders who he says received fraudulent mortgage applications in his name at around the same time as Atom. These are being addressed separately, but I’ve taken the surrounding circumstances into consideration whilst determining this complaint.

In considering a mortgage application, like all lenders, Atom will review the application and supporting evidence.

CIFAS is a fraud prevention database. Before making an entry with CIFAS, a firm must meet CIFAS’s “standard of proof” – which is that there are reasonable grounds to believe that a fraud or financial crime has been committed or attempted and that the evidence must be clear, relevant and rigorous.

Mr N has provided us with the information he received from CIFAS that shows Atom has recorded a marker against him for application fraud, because false documents were provided to support the mortgage application it received in his name.

The CIFAS record shows B1 has confirmed the bank statements Atom received in support of the mortgage application had been altered. Copies of these statements were also sent to Mr N, who accepts the statements had been altered. So, I think it’s clear that Atom had good grounds for recording a fraud marker for false documents – there’s no dispute that those documents were fraudulent.

I’ve then gone on to consider whether it was reasonable for Atom to record the CIFAS marker against Mr N. It should only have done this if it had reasonable grounds to believe that Mr N submitted, or was involved in submitting, the application and gave false information about his employment – rather than Mr N being the innocent victim of impersonation fraud as he claims.

Mr N told Atom, and the other lenders involved in the connected complaints, that the email address used for the fraudulent mortgage applications didn’t belong to him. However, Atom has provided us with information to show that it established Mr N had been using this email address elsewhere, so it was satisfied the email address used for the mortgage application did belong to Mr N. Given this, I can see why Atom felt it had reasonable grounds to believe that Mr N submitted, or was involved in submitting, the application.

I can also see that Mr N has used this email address whilst communicating with this Service. This conflicts with what Mr N said about the email address not being his.

Mr N has also told this Service that the person who impersonated him was his carer, who:

“had full access to my personal information, ID, banking and emails as he was helping me with all my financial needs and medical needs for the past two years.”

I've taken this into consideration. However, if the email address used was Mr N's, which it does appear to be, I would expect Mr N to have noticed if it was being used to make fraudulent mortgage applications. I say this because this was the contact email address given for Mr N to all of the lenders involved, so I think it's likely he would have received some communication about the mortgage applications. And Atom has established that email alerts would have been sent to this email address. So, I'm not persuaded Mr N wouldn't have noticed if his email address was being used by someone else to submit the mortgage applications.

Having carefully considered all of information available to me, including all of the surrounding circumstances, I'm satisfied Atom had reasonable grounds to believe Mr N submitted, or was involved in submitting the application - so I don't think it has acted incorrectly by registering the marker against him. It follows that I don't find its decision not to remove or alter the entry was unreasonable, so I don't require it to do so now."

Responses to my provisional decision

Atom didn't respond to my provisional decision.

Mr N responded to my provisional decision. He said he didn't agree with my findings, and he reiterated his point that he'd been impersonated by his carer - who he said had access to his email and personal information such as his identification and address. But he didn't provide any new information.

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.

After reviewing everything, including all of the surrounding circumstances and the responses I received to my provisional decision, I see no reason to depart from my findings in my provisional decision.

I remain satisfied Atom had reasonable grounds to believe Mr N submitted, or was involved in submitting the application - so I don't think it has acted incorrectly by registering the marker against him. It follows that I don't find its decision not to remove or alter the entry was unreasonable, so I don't require it to do so now.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 22 April 2024.

Michelle Griffiths
Ombudsman