

## **The complaint**

Mr Y complains that Santander UK plc recorded a marker against him on a fraud prevention database, after it declined his and his wife's mortgage application.

## **What happened**

Mr Y and his wife applied for a mortgage with Santander in March 2023. Santander declined their application. It also recorded a fraud marker against Mr Y's name with Cifas, a fraud prevention database.

Mr Y later complained and asked Santander to reconsider its decision to decline the mortgage application and to remove the marker. Santander said it didn't think it had made a mistake, but it would review the matter if Mr Y could provide some more documents and information, including bank statements and tax calculations from HMRC for the last two years.

Mr Y provided the documents but Santander did nothing with them until he followed the matter up. Santander apologised for having overlooked the further information Mr Y had sent it, and then reviewed its decision – but it didn't change its mind about the outcome of the application or the Cifas marker.

Mr Y referred his complaint to the Financial Ombudsman Service. Our Investigator said that Santander didn't have to grant the mortgage or explain why it wouldn't do so, and she didn't think it had applied the marker unfairly. She didn't recommend that the marker be removed.

Mr Y didn't accept that conclusion and asked for it to be reviewed. He said he had been treated very unfairly, he has had an excellent credit history for many years, and now he's struggling to get a mortgage.

## **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.

Cifas members should only record markers on the Cifas database where they have clear and rigorous evidence of fraud, such that they could confidently report the matter to the police. They aren't required to make such a report or to prove that fraud has been committed or attempted, but they must have reasonable suspicion that it has been. That's the necessary standard of evidence – and is the standard I've kept in mind in considering whether Santander acted fairly here.

Santander had concerns about the information and documentation Mr Y provided in his mortgage application, and this is why it recorded a marker against his name with Cifas. On the mortgage application, Mr Y said he was a sole trader and had been trading for seven years. He said his annual profit for the preceding three years was on an upwards trajectory, with a profit of around £30,000 (both gross and net) in the most recent financial year ending in 2022. He said he employed his wife on an annual salary of around £22,000.

Mr Y provided Santander with bank statements, SA302s and supporting tax year overviews. The information on the SA302s and tax year overviews matched. But Santander had concerns about some of the documents Mr Y had given it and about whether his circumstances were as he had said. Its records show that it made some independent checks, including with third parties and using publicly available information about the business Mr Y said he had owned for a number of years. It was entitled to make those checks, and having done so it wasn't satisfied that the information and documents it had been given about Mr Y's income and employment were genuine. The third party checks didn't verify the documents Mr Y had provided or that his business had operated as he claimed.

I've carefully considered all the information both Mr Y and Santander have provided in making my decision. Having done so, I don't think Santander was unreasonable in having concerns about the accuracy of the information and documents Mr Y had given it. The independent checks it carried out raised valid concerns about his income and employment. In the circumstances, I think it had reasonable grounds to record the Cifas marker, and I don't find that I can fairly require it to remove the marker now.

Finally, Santander was entitled to decline the mortgage application, and it didn't have to give Mr Y its reasons for doing so.

### **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 Y to accept or reject my decision before 25 June 2024.

Janet Millington  
**Ombudsman**