

## **The complaint**

Mr M complains HSBC UK Bank Plc has applied a CIFAS marker against him unfairly and has caused immense distress given the way it has handled his complaint.

## **What happened**

Mr M says he discovered in 2021 that HSBC had applied a CIFAS marker against him relating to an application to open an account in June 2020. He contacted HSBC and says he has been told, amongst other things, that the marker was applied in error, to go into branch to get the issue resolved and to apply for another HSBC account. HSBC says that Mr M shouldn't have been told that the marker could be removed if he went into branch. HSBC offered Mr M £50 in compensation for the distress that caused.

Mr M was very unhappy with HSBC's response saying that the marker has been causing him problems for years – that he can't get accounts elsewhere, that it's had an impact on his business and he can't work at the moment, amongst other things – and asked for £20,000 in compensation at one stage. He sent us a copy of the material HSBC sent him in response to a subject access request he did showing that HSBC agreed that an error had been made and that the application was genuine, amongst other things.

One of our investigators looked into Mr M's complaint and said that they didn't think HSBC had acted unfairly when it applied the marker. They thought the compensation HSBC had offered and paid – for the impact of the error they had made – was fair. Mr M disagreed and asked for his complaint to be referred to an ombudsman. His complaint was passed to me.

## **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.

Last week I issued a provisional decision saying that I was minded to uphold this complaint and require HSBC to pay Mr M £600 in compensation given the distress and inconvenience HSBC had caused Mr M as a result of the mistakes it has made since applying the marker. I didn't, however, think it would be fair to require HSBC to remove the marker itself.

I invited both parties to reply to my provisional decision, and both did. In addition, I've spoken to Mr M at length about the impact the marker is having and has had on him. HSBC agreed to the compensation I'd said as a gesture of goodwill and in the interests of resolving this complaint quickly. Mr M said that his priority – in terms of resolution – is getting the marker removed. And he explained in detail how difficult it's making his life.

Having reconsidered the evidence – including the comments both parties have sent in – I remain of the view that HSBC should pay Mr M £600 in compensation, but that it wouldn't be right to tell HSBC to remove the marker as it was applied fairly. I appreciate that Mr M's priority – in terms of resolution – is getting the marker removed. But I don't agree that the reasons he's given to remove the marker – the mistakes HSBC has made since and the impact it's having on him – are in themselves reasons to remove the marker.

**Putting things right**

I remain of the view, having taken into account the additional distress and inconvenience that HSBC's subsequent mistakes have caused, rather than the impact of the marker itself, that £600 in compensation is fair having regard to the way we approach compensation.

**My final decision**

My final decision is that I'm upholding this complaint and requiring HSBC UK Bank Plc to pay Mr M £600 in compensation.

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

Nicolas Atkinson  
**Ombudsman**