

The complaint

Mr H complains that Accord Mortgages Limited made a report about him to CIFAS, a fraud prevention database, in connection with a mortgage application.

What happened

Mr H applied for a mortgage with Accord in 2022. Having considered his application Accord decided not to offer a loan, and made a report to CIFAS about him. CIFAS and other fraud prevention databases enable the sharing of information between financial services providers in the interest of fraud prevention. The report said that Mr H's application had been accompanied by false supporting documentation in the form of a bank statement.

Mr H complained to Accord. He said that he was looking to move to a larger property with his family and consulted a mortgage broker who was recommended by a neighbour. Mr H says that the broker asked him for copies of his bank statements, which he provided. After not hearing anything for a month, he asked the broker for an update. He says the broker told him that there was "a CIFAS problem" and the mortgage couldn't go ahead.

Mr H obtained a copy of the CIFAS report and complained to Accord. Mr H says that the broker admitted to him that he – the broker – had altered the statements before submitting them to Accord, and that he had done so on other applications. He said that he checked the copy of the bank statement included with the CIFAS report and it was different to the one he'd given the broker. He provided a copy of what he'd sent to the broker. He also said that the email address and mobile phone number included on the CIFAS report were not his and must have been included on the application by the broker.

Accord didn't think it had done anything wrong in applying the marker. It investigated what Mr H had said, but wasn't persuaded that he hadn't known about the altered statements. It said it had received the application from a broker – but not the broker Mr H had mentioned. The broker Mr H had referred to appeared not to be regulated by the Financial Conduct Authority.

Our investigator didn't recommend upholding the complaint, so Mr H asked for it to be reviewed by 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.

When recording an entry on a fraud prevention database, a lender should only do so where it has reasonable grounds to suspect that fraud (or attempted fraud) has taken place, such that it could report the matter to the authorities (whether or not it has actually done so).

I'm satisfied that Accord had reasonable grounds for making a report in this case. It's not in dispute that an application for a mortgage was made, and that an altered bank statement was provided in support. It was reasonable for Accord to conclude that this was an attempt

to obtain a mortgage based on false information, and reasonable to conclude that the false information came from Mr H based on what it knew at the time.

When Mr H complained, I'd expect Accord to review the evidence to see if the report was still justified. For example, it might have been reasonable to make the report at the time – but because of new information, it had since come to light that it was no longer justified and should be removed.

But I'm not persuaded that there are grounds to say that the report should be removed in this case. In saying that, I've carefully considered everything Mr H has said, and the evidence he's provided. This includes a printout of text messages with the person Mr H says he approached for mortgage advice – in which Mr H gave that person his personal log on information to access his HMRC records, and provided payslips and a P60 over a year old from a job Mr H now says he wasn't employed in at the time of his application. The bank statements show some income from taxi work and a series of cash payments. As part of the application, Accord was told that Mr H's income came from taxi work and trading in car parts.

The bank statement was amended to show a payment to HMRC which wasn't on the original statement. The amount said to have been paid to HMRC was the same as the tax payment due shown on an HMRC print out sent to Accord in support of the mortgage application. The HMRC print outs also include information relating to Mr H's previous employment, which matches the P60 he sent to the person he says was the broker. These print outs would have been obtained from Mr H's online HMRC account. We've asked Mr H's representative why he shared his HMRC log in credentials with the broker, but Mr H hasn't responded to that question. The genuine bank statement doesn't contain a payment of taxes to HMRC.

When Mr H complained to Accord, he said that the contact information included on the application wasn't his. But I've seen that he gave the same contact information when making a subject access request to another of the fraud prevention databases.

There's no dispute that Accord was given false information in connection with this application. In deciding whether it would now be fair to remove the marker, therefore, I need to consider whether the evidence now shows there are no reasonable grounds for suspecting that Mr H was unaware of that.

I've taken into account what Mr H has said, that he instructed the individual he thought was a broker in good faith and that it must have been the broker who altered the bank statement without his knowledge. He's also said that he met with that individual – but at retail premises rather than that individual's office.

Bearing in mind the information Mr H accepts giving to the broker, and the information that was then given to the lender, I don't think there's a basis on which I can say that there is no longer a reasonable suspicion that Mr H was aware that the lender was given a false bank statement. I don't therefore intend to ask Accord to remove the marker.

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 H to accept or reject my decision before 20 August 2024.

Simon Pugh
Ombudsman