

The complaint

Mr A complains that Charter Court Financial Services Limited trading as Precise Mortgages unfairly recorded a marker against him with CIFAS, a fraud prevention agency, following a mortgage application.

What happened

In 2023 Mr A applied for a mortgage with Precise to fund the purchase of a new investment property. He submitted a valuation for the property, but that valuation didn't meet Precise's criteria. So Mr A arranged for another valuation to take place.

The seller of the property Mr A wanted to buy told Mr A that the sale had to complete by a certain date otherwise he would increase the price, or cancel the transaction altogether. Concerned that the second valuation would not take place soon enough for Precise to agree the lending before the proposed completion date, Mr A sent Precise a forged valuation report.

Precise declined the application and recorded a marker against Mr A with CIFAS for application fraud.

Mr A complained (with the help of a representative). He said he regretted his decision to send Precise a fraudulent document. He was worried about the property sale falling through and made the wrong decision. He said this marker was going to have a severe impact on his life and income as he owns a property business and will need to re-mortgage. He didn't think it was fair that he and his family should suffer as a result of a mistake he made with no bad intentions. He said he had planned to still go ahead with the second valuation and would have sent that to Precise once it was done. The fraudulent report was just intended to be supporting information.

Precise responded and didn't uphold the complaint. It said as a lender it had a responsibility to report any such activity to the relevant fraud prevention agencies, which in this instance was CIFAS. Its Financial Crime Team was satisfied that the marker was factually correct and as such it saw no reason for it to be removed as removals can only take place if the information had been recorded incorrectly, or if Mr A had been incorrectly noted as the person responsible for the activity in question. It was satisfied that the CIFAS data was factually correct and the requirements for a CIFAS marker had been met. It also said that a member of CIFAS cannot reject an application for credit based on another lender's marker, so Mr A should raise his concerns with the relevant lenders if he's being rejected for finance.

Mr A brought his complaint to our service. One of our Investigators looked into things and didn't think Precise had added the marker unfairly. He didn't uphold the complaint.

Mr A asked for the complaint to be passed to an Ombudsman for a final decision. He said the imposition of a six year CIFAS marker was an excessively harsh penalty given the context surrounding his situation. He said his actions weren't driven by malicious intent or a desire to engage in deceitful practices, but it had been a genuine misunderstanding of the situation at hand. He also said that whilst he's been told a CIFAS marker should not

inherently lead to mortgage applications being declined, he's faced 20 such rejections without clear explanations.

The complaint has now been passed to me to decide.

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.

There's no dispute here that Mr A submitted a fraudulent document to Precise in support of his mortgage application. Whilst he says he did not have any malicious intent, he sent a forged valuation document to Precise in order for the lending to be agreed sooner – so that he could meet the anticipated completion date set for the property he wanted to purchase.

In order for Precise to record a marker against Mr A with CIFAS, it needed to have sufficiently clear evidence that fraud or a financial crime had been committed. I'm satisfied it did in this case, and so I don't think Precise was acting unfairly by recording the marker.

I appreciate Mr A regrets his decision, and this marker is likely to have an impact on him and the way he's able to run his property business in the future. But I'm not satisfied Precise should remove the marker for that reason. Regardless of his intentions, Mr A did commit fraud. I think it's reasonable that's recorded with a fraud prevention agency, so that other potential lenders can be notified.

I'm sorry to hear of the problems Mr A has had when applying for mortgages since the CIFAS marker has been applied. If he feels those applications have been considered unfairly, then he's free to complain to the relevant lenders. If he hasn't done so already, he could also apply to have a notice of correction added to his records with credit reference agencies explaining the situation. But for the reasons I've explained, I'm not satisfied Precise has acted unfairly and so I won't be asking it to remove the marker.

My final decision

Considering everything, for the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 October 2024.

Kathryn Billings
Ombudsman