

## **The complaint**

Mr L complains Lloyds Bank PLC has unfairly placed markers against his name and that these markers have caused him and his family huge amounts of distress and inconvenience.

## **What happened**

In November 2023 Mr L says he received a call from a business he'd been banking with for over seven years – I'll refer to this business as "S" throughout the rest of this decision – saying that it was going to be closing his accounts in sixty days. Mr L says he subsequently discovered that three other businesses – including Lloyds Bank – had placed markers against his name. Mr L contacted all three businesses, and ultimately complained to us about all three of them as well as S's decision to close his account.

One of our investigators looked into Mr L's complaints and all of them – with the exception of this complaint – have now been resolved. The other two businesses who had placed markers agreed / were told to remove the markers that they had placed on CIFAS. The latest CIFAS report Mr L has obtained – one dated 24 April 2024 – shows CIFAS no longer has any data recorded against his name. His credit file still has a limited amount of adverse information on it – relating to an old default, for example, which he paid off earlier this year.

Our investigator recommended that Lloyds Bank remove the markers that it had placed on SIRA. Lloyds Bank agreed to do so, but said that internally it would record the fact that it suspected Mr L had given it inaccurate information. Our investigator thought that this was reasonable. Ultimately Mr L remained unhappy, saying he wanted the markers removing completely and compensation. His complaint was, as a result, passed to me for a decision.

## **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.

I issued a provisional decision last month requiring Lloyds Bank to remove the external markers it had placed on SIRA in the way it had offered and to confirm it had done so within 14 days of my provisional decision. Based on what I've seen, I'm satisfied that Lloyds Bank has removed the external markers it placed on SIRA and had done so by 8 August 2024.

In my provisional decision I said:

*"I'm satisfied that Mr L has had problems with his bank accounts since November 2023. That's when S gave him sixty days' notice of its intention to close his accounts. That was shortly after Mr L had started a new job and at a time when he was already having to deal with his relationship with his now ex-partner having broken down. Some of the problems he's had would have been down to the CIFAS markers, which have now been removed. Some of the problems may well have been down to adverse information on his credit file. And it's likely that some of the problems he's had have been down to the markers that Lloyds Bank has recorded – markers that it's now agreed to remove."*

I also said:

*“In addition to having an account with S, it’s clear Mr L and his partner had accounts with another business who I’ll refer to as “M” throughout the rest of this decision. He used to have a joint account with his partner and they both used to have their own individual accounts too.*

*Having spoken to Mr L, I’m satisfied that his new employer has been paying Mr L’s salary into his account with M and that Mr L hasn’t been able to access that money because M froze his account shortly afterwards because of the markers Lloyds Bank has recorded. I’m also satisfied that M has told Mr L that it will unfreeze his account once these markers have been cleared. For the purposes of this provisional decision, I’m prepared to accept that this has had a considerable impact on Mr L and that not being able to access his salary has made his already difficult relationship with his ex-partner even harder. And that this has had an impact on Mr L’s family life and mental health generally.”*

I also said:

*“To date, Mr L has received £300 in compensation – the other two businesses involved each paid £150. Given that everyone now accepts none of these markers should have been in place, I would have awarded Mr L a substantial amount of compensation as it’s clear the impact has been extensive. An overall figure of £1,000 – had only one business been involved – would probably have been fair. So, I’m minded to require Lloyds Bank to pay Mr L an additional £700 in compensation unless Lloyds Bank removing the markers means M unfreezes Mr L’s account quickly so that he can once again access his money and pay off his bills etc. I say that because I believe Mr L having access once again to his money will go a long way to resolving what’s happened.”*

Both parties were invited to comment on my decision.

Lloyds Bank didn’t comment on the compensation I was minded to award but did remove the markers it had placed and confirmed it had done so – as I’ve already mentioned.

Mr L said that he thought the compensation I’d suggested should be higher, but ultimately his priority was to get access to his money. M hasn’t unfrozen his account yet, but he hopes M will do so shortly.

### **Putting things right**

Having reconsidered everything, and given that I can't be certain that delays on M's part haven't contributed to the distress that Mr L has experienced, I think the fair outcome in this case is to require Lloyds Bank to pay an additional £500 on top of the steps that it has already taken. In the event that M doesn't unfreeze his account soon, Mr L can complain and bring that complaint to us if he remains unhappy. For that reason, I won't say more.

### **My final decision**

My final decision is that I require Lloyds Bank Plc to pay Mr L £500 in compensation on top of the steps it has already taken to remove the external markers it had placed on SIRA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 September 2024.

Nicolas Atkinson  
**Ombudsman**