

The complaint

Mr E complained that Bank of Ireland (UK) Plc ("BOI") recorded a marker against his name on a fraud prevention database, which prevented him from obtaining a mortgage elsewhere.

What happened

Mr E applied for a mortgage with BOI, using the support of a broker. Mr E submitted documentation to show his income, in support of this application. BOI declined to lend to Mr E, but Mr E had apparently decided to look elsewhere for a better deal.

Mr E's other mortgage application was then turned down, and Mr E discovered that there was a marker against his name on the CIFAS database, which exists to prevent fraud. That marker had been placed there by BOI, when it had attempted to verify Mr E's income, and was told that his accountant's certificate was not genuine.

Mr E complained, supplying additional information about what he says was confusion at the accountancy firm. BOI appears to have accepted that the marker can be removed, but said it would only do so if Mr E signed a form agreeing to take no further action.

Mr E said he wouldn't sign that, because he said the delay this has caused in his other mortgage application means he'll pay more for his mortgage now. And he said that the checks BOI had done now, should have been done before the marker was ever added to this database. So he asked our service to look into things.

Our investigator didn't think this complaint should be upheld. He said BOI hadn't been able to verify the accountant's certificate which was supplied for Mr E. That accountant had told BOI that he had not signed any report for Mr E, and Mr E was not his client. So BOI declined the mortgage application and added a marker on the CIFAS database. Our investigator thought this was a reasonable response to the information that BOI had received.

Once Mr E complained, Mr E's broker was approached about the information he had supplied. He said there had been a mix-up, both with the documentation submitted and then at the accountancy firm. Mr E had named a linked firm, not his own accountancy firm, and he was also a client at a different office. BOI appears to have accepted that this means the CIFAS marker can now be removed.

But our investigator said BOI didn't have to do more than that. It was Mr E's broker's responsibility to make sure that the information being submitted for a mortgage application was correct. And that would include making sure the accountant's certificate was signed by the same firm named in Mr E's application.

Mr E didn't agree. He said CIFAS had now removed the marker, not BOI, and he felt BOI was trying to blackmail him by asking him to sign a form saying he wouldn't take any further action. Mr E didn't think BOI had acted in good faith, and he queried whether BOI had ever actually phoned the accountant. He felt BOI should have checked the position of the accountancy firm he'd named and the one that had signed the form, because then it could

have seen that both these businesses have the same registered offices. And Mr E said that BOI could have confirmed the information on his business by checking that against information sent to Companies House. Mr E thought BOI should have done much more before recording this marker, because of the significant impact such a marker can have.

Because no agreement was reached, this case was then passed to me for a final 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've reached the same overall conclusion on this complaint as our investigator.

Mr E says that BOI should have done much more to look into what had happened, before it recorded a marker against his name with CIFAS. But I'm satisfied that BOI had been given information which reasonably led it to believe that documentation it received had been falsified. I don't think BOI had to take further steps to investigate that matter at the time.

Mr E and his broker have since provided further explanations of what went wrong. The firm Mr E named as his accountants, and the firm that provided the accountancy certificate, whilst not the same, do have close links. And Mr E's broker says that a call where BOI was told that Mr E's certificate must have been falsified, was the result of a mix-up at that firm.

BOI (and apparently also CIFAS) appear to have accepted this explanation, and I understand the marker has now been removed.

I appreciate that this did affect Mr E, as he's told us a separate mortgage application he made was declined, and he's been paying rent during this time. But I don't think that BOI acted unfairly or unreasonably, in response to the information it received as part of Mr E's application.

Mr E said BOI then tried to blackmail him when he wanted the marker removed. But Mr E has also told us that CIFAS removed the marker, so it's no longer on his file. Although Mr E said this was very different, I think the result for Mr E is the same, the marker is no longer there.

So I think BOI acted reasonably in putting this marker in place. And I think a fair outcome has now been provided, as the marker was then removed following BOI's further investigation and the supply of additional information by Mr E's broker. For those reasons, I don't think BOI has to pay Mr E compensation now.

Mr E has recently questions whether BOI ever called the accountancy firm. But the explanation provided to BOI by his broker was that *"...the actual accountant was on holiday when BOI called, and there was miscommunication."* So the accountancy firm appears to have confirmed that BOI did call.

Mr E also said that BOI could have confirmed the details of his income by looking at information supplied to Companies House. But information supplied to Companies House would contain details of the earnings of a limited company, and BOI was seeking information on Mr E's personal income, which isn't the same. So I don't think that BOI has overlooked a simple way to confirm Mr E's income information here.

In resolving this complaint, I would only have told Bank of Ireland (UK) Plc to remove the CIFAS marker, as it has previously offered, if the marker remained in place. But Mr E has

told us this marker has now been removed. So I don't think BOI has to do any more here. I know Mr E will be disappointed, but I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 15 November 2024.

Esther Absalom-Gough

Ombudsman