

The complaint

Mr and Mrs B's complaint relates to mortgage applications they made to Santander UK Plc in 2023. They are unhappy that when the applications were declined, Santander reported information to the National Hunter database.

What happened

Mr and Mrs B applied for a mortgage with Santander on two occasions in 2023 - January and July. On both occasions the applications were declined by Santander. On each occasion Santander placed a marker on the National Hunter database in connection with the application, recording in January that the income was staged and in July that there were conflicting salary details.

Mr and Mrs B were made aware of the markers in late 2023. They initially asked for information from Santander and subsequently complained about it having reported what it did.

Santander responded to Mr and Mrs B's complaint in a letter of 10 April 2024. It said it was satisfied that it had acted correctly in declining their application and providing information to external agencies.

The complaint was referred to this Service as Mr and Mrs B were not satisfied with Santander's response. One of our Investigators considered the complaint. He concluded the markers had been fairly applied. Mr and Mrs B didn't accept the Investigator's conclusions. They provided an explanation of why their P60s didn't reflect the incomes they'd told Santander about in their application, but they didn't provide supporting evidence. When the Investigator was not persuaded to change his conclusions, Mr and Mrs B asked that the complaint be referred to 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.

Santander considered Mr and Mrs B's mortgage applications and declined them, which it was entitled to do. A lender is not obliged to accept an application and lend. There is also no requirement for a lender to give reasons for declining an application.

The National Hunter database, along with other similar databases, enables the sharing of information across the financial services industry and beyond, in the interests of fraud prevention. This is an important function. However, as there are potential consequences for an individual in having an entry on these databases about them, lenders should only record markers where they have good grounds to do so. The various databases set out what they expect from their members in order for a marker to be recorded.

There are levels of markers on the relevant databases. A marker is not a fraud marker, but they will be visible to other lenders who consult the database when Mr and Mrs B make

future applications for credit. Other lenders should not use the presence of a marker as a reason, of itself, to refuse an application – though it may prompt more detailed checks.

I have looked at the information Santander received in respect of the mortgage applications and I have taken into account what both sides have said. Having done so, I can see that Santander had concerns about the information it was given as part of the applications. Having considered the checks Santander carried out and the information it had; I don't think its concerns were unreasonable. This means that I can't say Santander acted unreasonably in recording entries on the National Hunter database and I can't ask it to remove them.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mr B to accept or reject my decision before 6 January 2025.

Derry Baxter
Ombudsman