

The complaint

Mr Z complains Starling Bank Limited treated him unfairly when it recorded a marker with the fraud prevention database in connection with an application.

What happened

I issued a provisional decision on this case not upholding it. I invited both parties to let me have any further comments. A copy of my provisional decision is below.

Mr Z applied for an account with Starling. However, this was declined. He later discovered Starling had recorded a false application marker against him with Cifas. He contacted Starling about this, explaining his property agent had created and submitted false documents, without his knowledge in an attempt to open a bank account.

Starling looked into the circumstances in which the marker had been placed but didn't think it had made a mistake. It refused to remove it. Dissatisfied, Mr Z referred his complaint to us. One of our investigators reviewed matters but he didn't think Starling needed to do anything – he couldn't see how a third party could have obtained the level of information/ verification details used to apply for the account without Mr Z's knowledge or involvement. And he noted Cifas was also satisfied with the loading.

Mr Z didn't agree. He said the application had been made during his initial move to the UK, following receipt of a work permit. Being new to the country, he wasn't familiar with the process involved in setting up bank accounts. He said his rental agents played a significant role in the process. He maintained they had provided false proof of address document and he'd only become aware of this after the Cifas record was issued. He admitted he was present at the final video verification session and remembered only recording a sentence, but he wasn't sure or aware of what else was going on. He thought an application was being made for an e-wallet account and not a bank account.

The investigator noted some inconsistency; Mr Z had acknowledged participating in a video with the bank and provided ID as part of the application process but he had previously said the account had been opened without his knowledge. The investigator remained of the view Starling hadn't treated him unfairly based on the evidence.

When a consensus couldn't be reached, the case was put forward for a decision.

*What I've provisionally 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.*

Cifas members should only record markers on the Cifas database where they have reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted and the evidence must be clear, relevant, and rigorous. I've kept this standard in mind in considering whether Starling acted fairly here. Having done so, I don't consider Starling made a mistake. I'll explain why below and focus on what I consider the crux of the issue.

I've looked at the information provided as part of the application. There was a false utility bill submitted, as Mr Z has himself recognised in his submissions. He says, he didn't know anything about this and blames his property agent, but I don't think this is persuasive. I say this because, I can't see what use the account would be to his agent when he'd be the prospective account holder and not them. Any information about the account would be issued to him personally because Starling only had his mobile number, email and residential address details. There weren't contact details for any other party, so it's unlikely that someone else was involved or if they were, it was without Mr Z's knowledge.

Mr Z says he understood he was getting some assistance with applying for an e-wallet account. However, this isn't supported by the other evidence. I've reviewed what's involved in the account application process and it refers specifically to a personal account and requires a mobile phone device and an email address. The evidence shows that it was Mr Z's number and device that was captured for the application, to which all comms were then sent to move through the different steps of the application. Like our investigator, I can't see how a third party could have gone through this whole process without Mr Z's knowledge or involvement. It's Mr Z's contention that he only recorded a video at the end and didn't do anything more, however, I don't find what he's said persuasive in light of all the available evidence and how Starling's account application process works.

Having weighed everything up, I don't think Starling has done anything wrong. I think it had reasonable grounds to record the marker. And this is further supported by Cifas's own decision that it doesn't consider the loading to be incorrect.

It follows that I won't be requiring Starling to remove the marker.

My provisional decision

My provisional decision is I don't uphold this account.

Responses

Starling responded to say it had received my provisional decision but didn't have anything to add. Mr Z didn't respond.

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.

Given the responses, I see no reason to depart from the conclusions in my provisional decision. It follows that I adopt my provisional decision in full as part of this final decision. I'm satisfied Starling were justified in loading the Cifas marker and so there's no basis for requiring its removal.

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 Z to accept or reject my decision before 25 November 2024.

Sarita Taylor
Ombudsman