

The complaint

Mr A is unhappy that TSB Bank plc loaded an adverse fraud marker against his name.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

Mr A held a bank account with TSB. In March and July 2024, TSB received reports from third-party banks informing it that funds deposited into Mr A's account the previous year had been obtained by fraud.

Following the first report of fraud, TSB gave Mr A the benefit of the doubt; it accepted his explanation and returned the funds to the sending account. But following the second report of fraud, TSB deemed Mr A a risk, closed his account and loaded an adverse fraud marker against his name on the Cifas database.

Mr A was unhappy with this and so he complained. But after investigating its own actions, TSB found that it had made no error in the way it handled matters.

Mr A referred his complaint to our service for an independent review. But after consideration of the evidence presented by both parties, an Investigator concluded that TSB had made no error.

Mr A remained unhappy with the Investigator's assessment, so the matter has now been referred to me for a final decision to be made.

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.

Was the recording of the Cifas marker fair?

One of the relevant considerations here is set out by Cifas: the fraud marker database controller. In its Handbook—which members must adhere to when loading markers—it sets out the burden of proof the member must meet. The relevant standards regarding this complaint are:

1. That there are reasonable grounds to believe that a fraud or financial crime has been committed or attempted.
2. That the evidence must be clear, relevant and rigorous.

My understanding of these standards is that a member cannot simply load a marker against an individual based on mere suspicion. It must be able to meet a higher bar; in that a customer was likely a witting participant in the alleged conduct. This has been reinforced by Cifas' Money Mule Guidance, which it released to its members in March 2020.

Having considered these standards, I'm satisfied that TSB has been able to demonstrate the first of the above two standards has been met. While I am unable to disclose the exact details of the report TSB received, it is clear this was a credible allegation of fraud by a third-party. And it can be confirmed that the funds stolen as a result of this fraud were transferred to Mr A's account.

I'm also satisfied the second of the above two standards has been met.

Mr A was contacted by TSB when the report of fraud was received. I have listened to the call between Mr A and a representative of TSB when he attended branch. Understandably, Mr A struggled to recall what the payments had been received for, as a significant time had passed between the receipt of the funds and the report of fraud. However, Mr A told TSB during this call that he was owed money by the individual who had paid him. That testimony has since changed, placing some doubt over its reliability.

Mr A has since said that he was the victim of fraud himself. He says that he received the funds as payment for a promotion on his social media channels after being approached by a third-party. It was later discovered that not only was the money that was paid to his account fraudulently obtained, but that he received several reports from his followers that they'd been the victim of fraud too.

Mr A hasn't been able to provide our service with any credible evidence to support this claim. While he has provided some screenshots of messages from his followers making allegations of fraud from a promotion, this doesn't go far enough in explaining the arrangement Mr A had when agreeing to carry out the promotion himself.

Mr A says that he doesn't hold any evidence in support of this arrangement due to the way in which it was communicated with him. However, I would have expected a business arrangement, such as the promotion of a product on behalf of a third-party, to have been well documented.

I find it likely that had Mr A been approached to carry out such a promotion, he would have been provided with a brief of the product, how it was to be promoted, and a formal agreement or invoice containing the payment details for the services rendered. I would also have expected Mr A to have held sufficient information to carry out due diligence checks on the product and its owner before proceeding to advertise and endorse it. The fact that none of this evidence is available here makes it difficult for me to rely upon the veracity of it in my assessment.

I can also see from Mr A's statements that two payments were made to him for the purported services he provided. But there are some questionable features to these payments.

Firstly, if Mr A was being paid for one service, I see no reason why he would have been paid in two payments over the course of two days. I can also see from the references associated with the payments that they were listed as "borrowed". This doesn't correlate to the intended purpose of the payment, and Mr A doesn't seem to have questioned this.

Overall, I'm not satisfied from the information Mr A has provided that he has demonstrated an unwitting involvement in the receipt of the fraudulent funds, or that he was a victim himself. I want to be clear that my findings aren't intended to accuse Mr A of any wrongdoing: that isn't my role. But the evidence available does persuade me that the loading of the fraud marker was fair in the circumstances. I therefore won't be asking TSB to remove it.

My final decision

For the reasons I have given above, 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 5 June 2025.

Stephen Westlake
Ombudsman