

The complaint

Mr M's complaint is that Bank of Scotland plc trading as Halifax unfairly recorded a fraud marker against him during the course of a mortgage application. Mr M says this was the wrong decision, and that Halifax has never asked him for any more information that might allow him to challenge the decision.

What happened

In July 2024 Mr M applied for a remortgage with Halifax. The application did not result in a mortgage offer, and Halifax registered a fraud marker with CIFAS against Mr M, who complained to the bank in October 2024.

Halifax didn't uphold the complaint, explaining in its final response letter that, during the mortgage application, the bank hadn't been able to validate information Mr M had provided. Halifax also said that Mr M had the right to appeal the decision, and clarified which documents Mr M would need to provide in order to do this.

Mr M didn't appeal Halifax's decision. Instead he raised his complaint with our service, saying that the decision was unfair and that Halifax had never given him the right to challenge it.

An Investigator looked at what had happened but didn't think the complaint should be upheld. He was satisfied Halifax had valid reasons for registering the marker, and that the bank had given Mr M the opportunity to provide further documentation to challenge the decision.

Mr M disagreed with the Investigator's findings and asked for an Ombudsman to review the complaint. He said Halifax had never provided any proof to validate registering a marker, and never asked him for further documentation.

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.

Recording a fraud marker against someone is a serious step by a financial business. A marker should only be recorded if there are reasonable grounds to believe a fraud or financial crime has been committed or attempted. The standard is not, however, that fraud has been proved; rather it is that there is a reasonable suspicion that fraud may have been committed or attempted.

In Mr M's case, Halifax wasn't able to verify the income from self-employment Mr M declared on his mortgage application. Documentation Mr M provided to support this income could not be verified and didn't match information held by third parties. In the circumstances, I'm satisfied Halifax had sufficient evidence to support recording the marker against Mr M.

Mr M says Halifax has never given him the opportunity to provide further information to support his position and get the marker removed. However, when Mr M submitted his complaint to us on 5 November 2024 he sent us a copy of the final response letter dated 21 October 2024, which sets out exactly how Mr M can appeal Halifax's decision.

In the circumstances, I'm satisfied Halifax has acted reasonably, both in its registration of the marker and in providing Mr M with the opportunity challenge it. Because Mr M has chosen not to challenge the marker, I'm satisfied there is no basis on which I can fairly order the bank to remove it. It is up to Mr M whether or not he wants to co-operate with Halifax and submit the requested information to enable the bank to reconsider its decision.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 March 2025.

Jan O'Leary
Ombudsman