

The complaint

Mr W's complaint is that, during the course of a mortgage application, Santander UK Plc unfairly recorded a marker against his name on a fraud prevention database, CIFAS.

The marker has since been removed, but Mr W wants Santander to pay him compensation of £10,000, which he says reflects the time he's spent trying to resolve the issue.

What happened

In 2020 Mr W applied for a mortgage with Santander, through his own independent financial adviser. The mortgage was approved and went ahead, but Santander later recorded a CIFAS marker against Mr W. This was because the bank said it had been unable to verify his income.

After Mr W had been declined for a car lease in 2024, he learned about the CIFAS marker and complained. Santander initially declined to remove it, but has now agreed to CIFAS removing the marker. Mr W complained to our service, asking us to order Santander to pay compensation of £10,000 for all the upset, time and trouble he's been put to in trying to resolve this matter.

An Investigator looked at what had happened. She didn't think Santander had been justified in registering the marker, and the reason for removing it hadn't been made clear. The Investigator also wasn't persuaded that the sole reason Mr W's car lease hadn't been approved was the marker, as the lender may have had other reasons for declining it.

The Investigator asked Santander to pay compensation of £300 for distress and inconvenience, which Santander agreed to. Mr W didn't accept this and asked for an Ombudsman to review the complaint. He's provided no new evidence or arguments, but only said that he disagrees with the level of compensation the Investigator recommended.

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.

The fraud prevention agencies play an important role in combating fraud in the financial services industry. But it's important that any reports to the databases are accurate and justified. CIFAS's guidance to its members makes clear that a report is only justified where there is reasonable suspicion of fraudulent activity such that a report could be made to the police or other authorities (whether or not such a report has actually been made).

In this case the report Santander made to CIFAS records that it found Mr W had provided information about his income that could not be verified. Unfortunately the documentation and other records provided by the bank about the decision to record the marker don't provide the reasons why Santander acted as it did. Although Santander has said it took the view at the time that the evidence justified the marker, it seems to me from the limited information from

2020 that if Santander had concerns about income sources, these were issues that might have been better referred to the broker or accountant for clarification, rather than to CIFAS.

Overall, I'm not persuaded Santander has shown that the marker was justified, either at the time it was recorded, or later. Santander has accepted the Investigator's view that the complaint should be upheld and that it should pay compensation of £300. What I now need to decide is whether that goes far enough.

Putting things right

The underlying issue in the complaint – the CIFAS marker – has now been removed, so the only outstanding matter is how much compensation should be paid. I've noted what Mr W has said about why he believes £10,000 is an appropriate amount to compensate him for the distress he's been caused, as well as the time he's spent on this matter. However, our awards are not intended to be punitive, and we don't award damages in the way that a court might.

I've not been provided with evidence of any direct financial loss due to the marker. Mr W says an application for a car lease was declined, but I've not been provided with conclusive evidence that this was due to the marker. Mr W raised his complaint in late April 2024 and the marker was removed by mid-July 2024. Whilst I acknowledge this was a stressful time for him, I'm not persuaded an award of £10,000 is appropriate or justified. Overall, I'm satisfied that the £300 compensation the Investigator recommended is proportionate, fair and reasonable in all the circumstances.

I appreciate this is far below the amount Mr W believes is fair, and he's under no obligation to accept my decision. If he decides not to accept the £300, he will be free to pursue his grievances against Santander in court, should he wish to do so.

My final decision

My decision is that I uphold this complaint and direct Santander UK Plc to pay Mr W compensation of £300. I make no other order or award.

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 W to accept or reject my decision before 20 March 2025.

Jan O'Leary
Ombudsman