

## **The complaint**

Mr V has complained Lloyds Bank PLC lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

## **What happened**

Mr V had opened an account with Lloyds in early 2020. In April 2020 Mr V was told by Lloyds that they were closing his account. This came after they questioned him about a large credit made to his account. Lloyds were unconvinced by Mr V's testimony. They then lodged a fraud-related marker on his record with CIFAS.

In 2024 Mr V asked Lloyds to remove the marker because of the impact this was having on his ability to get other finance including a mortgage. Lloyds didn't feel they'd done anything wrong and refused to remove it.

Mr V brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and initially asked Lloyds to remove the marker. However, she reconsidered this after she got evidence of the payments Mr V had made after receiving the disputed credit.

Mr V disagreed with this outcome. He's asked an ombudsman to consider his complaint.

## **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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

*"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted."*

*The evidence must be clear, relevant and rigorous."*

So Lloyds must be able to provide clear evidence that an identified fraud was being committed and Mr V was involved. This means that they must have more than a suspicion or a concern that Mr V may be involved.

There's also a requirement that Lloyds should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Lloyds. This confirms they received a notification from another bank that a customer had sent £4,150.11 to Mr V's Lloyds account as the result of a phishing scam. Just after this credit, Mr V transferred £3,800 to another crypto-based account in his own name and also withdrew £340 at a cash machine.

I'm in no doubt that this credit didn't belong to Mr V. An identified fraud had been committed. However, I also need to be satisfied that Mr V knew what was going on when money that wasn't his was being paid into his account.

Initially Mr V was unable to recall exactly what happened. This wasn't too surprising because of the time that had passed. However, it became clear after investigation that he had transferred most of the amount he'd received into his own crypto account. He told us that he'd received this money from a social media contact who wanted help to invest. Based on the evidence that Lloyds provided, this was obviously false.

I'm also concerned at Mr V's changing story about what happened. I appreciate this was a time ago but this credit was a large value transaction and Mr V hadn't used his Lloyds account much until that date so I'd expect him to have recalled this. He also took four years to complain about the CIFAS marker which indicates this hadn't bothered him too much until he was trying to get additional finance.

I note Lloyds did contact Mr V to question his entitlement to the money at the time of this fraudulent activity.

The requirements around banks lodging markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on. In this case I think this most likely exists here from reviewing the payment made into Mr V's Lloyds account and seeing what use he made of the funds.

On this basis, I don't believe it would be fair and reasonable to ask Lloyds to remove the CIFAS marker. I won't be asking them to do anything further.

### **My final decision**

For the reasons given, my final decision is not to uphold Mr V's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 28 May 2025.

Sandra Quinn  
**Ombudsman**