

The complaint

Mr O complains that Bank of Scotland plc trading as Halifax made an entry on the Cifas fraud prevention database in connection to his mortgage application.

What happened

Mr O applied for a joint mortgage with Halifax in 2024. The application recorded that he was self-employed and his earnings for the 2023 and 2024 tax years had both been roughly £80,000. Mr O provided Halifax with SA302 forms showing his profit from self-employment, which matched what was recorded in the application, and he provided tax year overviews for the same years which corresponded with the SA302s.

Halifax issued a mortgage offer but withdrew it shortly afterwards. Mr O said while applying for a remortgage on another property he owned, he learned that Halifax had recorded a Cifas marker against him in connection with his previous application - citing false information had been provided.

Mr O complained to Halifax. He agreed that false information had been provided regarding his income as part of the application. But he said he had paid for the services of a third party 'mortgage fixer', who he had understood to be a legitimate accountant and mortgage broker. Mr O said he had provided correct information to the third party regarding his income and did not check the SA302 forms the third party returned to him, before providing these to Halifax. Mr O says he has been a victim of a scam. Now Halifax is aware of this, he thinks it should remove the entry on the Cifas database. Mr O has explained the marker has prevented him securing a role he was offered in the financial services industry, and that it will impact his ability to remortgage his other Buy-to-Let properties.

Halifax didn't agree with Mr O. It said it was satisfied it had sufficient grounds to apply the marker, and it was not willing to remove it as Mr O was responsible for the information provided during the application process. Mr O referred his complaint to our Service where one of our Investigators looked into it. He agreed that Halifax had fairly applied the marker. Mr O still didn't agree and asked for an Ombudsman to make a final decision.

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.

There's no dispute here that falsified information about Mr O's income was provided to Halifax as part of his application. When considering an application, lenders will review the application and supporting evidence to determine if its lending criteria is met. It will also carry out various underwriting checks to confirm the information it has been provided is accurate, and that the mortgage would be affordable. Where a lender discovers something of concern, it will typically report this to a fraud prevention agency.

It is a serious step for a financial business to record an entry against someone on the Cifas database. In order to file such a marker, Halifax is not required to prove beyond reasonable

doubt that Mr O is guilty of fraud, but it must show that there are reasonable grounds to believe a fraud or financial crime has been committed or attempted. The evidence must be clear, relevant and rigorous.

In considering this complaint, I am deciding whether it was fair for Halifax to decide that threshold had been met – and whether there is further evidence available now such that it should fairly remove the marker because the standard is no longer met. I'm not deciding whether Mr O has committed fraud or not.

Due to the nature of this complaint, I've been provided with limited information about the checks Halifax carried out to confirm the income Mr O declared in his application and the supporting documents provided were incorrect. However, there is no dispute in this case that falsified information was provided.

Mr O has said after discovering the Cifas marker, he reviewed the SA302s he had provided to Halifax and realised the information recorded was false - and different to the figures he'd provided to the third party. From reviewing the application, I can see the same incorrect figures in the SA302s and tax overview were recorded in the application. So, I accept that Halifax's belief that there were material falsehoods in the application and its belief that false supporting documentation was provided was reasonable.

I would have expected Halifax to carry out further enquiries of Mr O before recording a Cifas marker, however. Halifax should only record a Cifas marker against Mr O where it had reasonable grounds to believe Mr O submitted, or colluded to submit, an application which gave false information and evidence of his income – and not where he was the innocent victim of a scam, as Mr O claims.

I've gone on to consider what Halifax would have found out, and what we now know, about the circumstances surrounding Mr O's application. And whether this information means the threshold to record a Cifas marker is no longer met.

Mr O has said he unwittingly provided false information about his income to Halifax. Mr O has said he is a self-employed contractor, and he needed help with his accounts, so he contacted a third party after seeing the company on social media. He said he believed it to be a legitimate broker and accountant, and he wanted to make sure his accounts were up to date, and his expenses were recorded correctly in line with HMRC rules. Mr O said he transferred around £1,500 to this company and paid a further £3,000 in cash. Mr O said on being provided with supporting documents by the third party, he printed these and took them to the bank with his application without checking them.

Mr O has provided evidence of his communications with the third party. This shows Mr O met with the third party in a coffee shop, and following this Mr O provided the third party with his financial details and details of his property portfolio. The third party then provided Mr O with several documents, including SA302s and tax year overview documents. The third party advised Mr O it was best for him to apply directly to Halifax and that he should 'Put N/A to Q broker name'. There are further communications where Mr O has said he is waiting for information from his accountant, to provide to the third party's accountant. He then provides information about his rental income and tax year returns for 2021 and 2023. The third party responds with tax return documents for 2023 and 2024.

I've thought very carefully about whether I'm persuaded that Mr O was an innocent victim of a scam. I've not been persuaded that this is the case here. I find it difficult to understand why Mr O would pay such a substantial cost if he only wanted to make sure his accounts were up to date, and expenses filed correctly as he has explained. Mr O clearly already had an accountant, and he had already submitted his accounts for tax purposes for the previous

year. So, it's not clear to me what Mr O's understanding was of this third party providing tax documents for the previous year again.

Given what we know of Mr O's individual and personal circumstances, and the circumstances of the meeting, I'm not persuaded Mr O wouldn't have had at least some concerns or idea that this wasn't a legitimate business.

Even if what Mr O has told us is correct, and he did think the third party was a legitimate broker and accountant, I find it unlikely that Mr O didn't review these documents before submitting them to Halifax. I say this because the income recorded in the application is the same as the income recorded in the falsified documents. Mr O was responsible for completing the mortgage application. So, it's likely Mr O referred to at least some of these documents in order to record his income in the application. Mr O has said when he later reviewed the SA302s he realised the information in there was not what he had provided to the third party. It's reasonable that Mr O would have therefore noticed when the income he recorded in the application was different to what he had understood it to be.

I'm not persuaded by Mr O's testimony of events, but even if I were, it would still be difficult for me to uphold Mr O's complaint. Ultimately, he is responsible for the information he provided to Halifax as part of his mortgage application, and he needed to ensure the information he provided was accurate.

Based on the evidence we have; I consider it was reasonable for Halifax to find the threshold to record an entry on the Cifas database had been met, and I find Halifax has acted reasonably in doing so.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 2 July 2025.

A handwritten signature in black ink, appearing to read 'E. Taskas', with a stylized flourish at the end.

Emma Taskas
Ombudsman