

## **The complaint**

Mr K complains Metro Bank PLC trading as RateSetter registered a CIFAS marker against him in relation to a loan he'd taken out in 2021.

## **What happened**

Mr K took out a personal loan for £2,500 loan with Ratesetter in October 2021.

Ratesetter were contacted just over a month later by a third party on behalf of Mr K who explained he was asking for some breathing space and was seeking independent debt advice. Shortly after, Mr K entered into an Individual Voluntary Arrangement ("IVA"). Ratesetter agreed for this loan to be included in the IVA. But Ratesetter also registered a CIFAS misuse of facility marker against Mr K in December 2021 for "evasion of payment".

In January 2025, Mr K's bank contacted him to explain they were going to close his account as there were CIFAS markers recorded against him. Mr K complained to Ratesetter asking for the marker to be removed. He commented that two other loan providers had already removed identical markers, but Ratesetter's remained.

Ratesetter looked into the complaint but didn't consider an error had been made and said the CIFAS marker would remain in place. They also said they couldn't comment on the actions taken by the other loan providers. Unhappy with their response, Mr K brought the complaint to our service.

Our investigator looked into the complaint and concluded Ratesetter had unfairly applied the marker. Mr K had explained his circumstances and disclosed he'd had a gambling problem at the time. He was in a cycle of taking out loans and repaying them with his winnings, but he had always intended to repay the loan. It was only after speaking to family that he had sought help and then entered into an IVA due to financial difficulties. Our investigator also recommended Ratesetter pay Mr K £250 compensation for any distress or inconvenience caused.

Ratesetter disagreed. They said Mr K had made no direct contact with them to discuss his financial circumstances and that Mr K hasn't made them aware of his financial difficulties at the time of application. As Mr K didn't make his first scheduled payment and then entered into an IVA shortly after – they considered that the marker was fairly applied.

As Ratesetter have disagreed – the complaint has been passed to me to decide.

## **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 conclusion as our investigator for broadly the same reasons. I'll explain my reasoning below.

I'd like to assure both parties that I've carefully reviewed and considered all the information

provided. And if I don't comment on a particular point or in as much detail, this doesn't mean I haven't considered it. My decision focuses on what I consider to be the key issues of the complaint and reflects the informal nature of our service.

### CIFAS marker

In order to report matters to CIFAS Ratesetter should, in summary, have reasonable grounds to think that fraud or financial crime has been committed or attempted. And the evidence should be clear, relevant and rigorous – such that they could confidently report the matter to the police.

Mr K entered into an IVA in late November 2021 just over a month after taking out the loan. I appreciate given the timings why Ratesetter would be unhappy with this. But I don't think this demonstrates that Mr K has committed or attempted fraud or a financial crime. The loan was recognised in the agreement and Mr K maintained payments to Ratesetter throughout the duration of the IVA. Mr K was also able to complete the IVA early and agreed a partial settlement payment with Ratesetter in 2023. So, I'm satisfied this shows Mr K recognised his debt and was not avoiding repayment – but that he was struggling to meet the contractual repayments.

Mr K has explained the wider circumstances of his finances and situation at the time including that he was having issues with gambling. Ratesetter have commented Mr K never made any direct contact to discuss his financial circumstances and he must have been aware of his financial difficulties and gambling at the time of application.

However, I don't think Ratesetter have recognised Mr K's vulnerabilities at the time or that he had reached out for professional support and help. I haven't seen anything to suggest or show that Ratesetter reached out to support or discuss things with Mr K. Nor does it appear they discussed things with Mr K prior to adding the CIFAS marker to understand his intentions. So, whilst I recognise they agreed to the IVA and a partial settlement payment - and this all seems to be reflected on his credit file - I don't think they've acted fairly by recording this CIFAS marker.

Taking all the above into account, including the time that had passed between taking out the loan and entering into the IVA – I'm not satisfied that Mr K knowingly entered into this agreement with the intention of not making any repayments. So overall, in the circumstances, I don't think the marker is a fair and accurate reflection of what's happened here and so it should be removed and Mr K compensated.

### Distress and inconvenience

I recognise the time and effort Mr K has spent in trying to resolve this matter. I appreciate this largely stemmed from when his bank told him they'd be closing his account due to the markers applied against him. Mr K has explained that two other loan providers had applied CIFAS markers and, as I've already mentioned, his credit file reflected his IVA and defaulted accounts. So, I can't say with sufficient certainty that it was solely down to Ratesetter's actions that led to this decision by Mr K's bank. But I have considered the overall distress and inconvenience that has unnecessarily been caused to Mr K.

I'm pleased to hear Mr K has since been able to open a new account elsewhere, but I recognise this matter has impacted him and his mental health. Having considered everything, I agree with our investigator's recommendation of £250 compensation to be fair and reasonable in the circumstances.

### **My final decision**

My final decision is that I uphold this complaint and instruct Metro Bank PLC trading as Ratesetter to:

- Remove the CIFAS marker recorded against Mr K
- Pay Mr K £250 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 August 2025.

Laura Davies  
**Ombudsman**