

## **The complaint**

Mr L has complained Clydesdale Bank plc, trading as Virgin Money lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

## **What happened**

In September 2023 Mr L's account with Virgin Money was closed. This took place after he'd received three credits totalling £6,435.94 into his account. Three payments of £581.85, £681.74 and £4,800 to other accounts were then made. After review Virgin Money closed Mr L's account and lodged a fraud-related marker on his record with CIFAS.

After Mr L found he was having trouble getting other bank accounts, he discovered there'd been a CIFAS marker placed on his record. He asked Virgin Money to remove the marker. Virgin Money didn't feel they'd done anything wrong and refused to remove the marker.

Mr L brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. She noted Virgin Money had never asked Mr L to confirm the origin of the funds after they'd been aware it was potentially fraudulent. However, it was clear that Mr L had no right to this money and Virgin Money saw the money had been used which they believed was payment as the result of fraud. She wouldn't ask Virgin Money to remove the marker.

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

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

I've seen the evidence provided by Virgin Money. This confirms they received a notification from one of their own customers that they had sent three payments to Mr L's Virgin Money

account as the result of a safe account scam. Just after this credit, Mr L transferred some of the money to other accounts. This involved £4,800 being sent to Mr L's savings account which was then transferred back into Mr L's current account.

There's also a record of a call between Virgin Money and Mr L on the day of the credits when Mr L calls to provide the name behind the payments and confirming this individual was a friend.

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

Mr L has told our service that after speaking to someone at college he was encouraged to allow them to use his account. He said that he then had no idea what was going on with his account. Although naïve, he feels he hadn't acted improperly. There's no dispute that this activity was against the terms and conditions of his account, so it was more than likely that Mr L wasn't too surprised when Virgin Money closed his account.

It's clear that when Mr L opened this account in May 2023, the account was barely used for a couple of months. There is then a number of credits in, and payments out, all resulting in this account being left with a zero balance. Whatever way you look at this, this doesn't resemble normal account use.

I've considered what Mr L has told us that he didn't know about these credits because he was allowing someone else to use his account. However, this must mean that Mr L was receiving money in return for allowing this use.

Unlike our investigator, I accept that Mr L was sent the photo of the credits to the account. But along with this photo showing who the payment had been received from was a message suggesting this individual was a victim. This photo most likely was sent to get Mr L to contact his bank to ensure that Virgin Money didn't block the credits. But this would have been an ideal time for him to admit that something dodgy was going on. Mr L may have hoped by allowing a third party to use his account he wouldn't have been regarded as involved. I think there's no doubt, he'd have been aware something was going on that enabled him to 'earn' money and that most likely this wasn't above board.

I note Virgin Money didn't contact Mr L to question his entitlement to the money at the time of this fraudulent activity. Although as he'd contacted them to confirm he was receiving money from a friend then Virgin Money may well have felt they'd received his view of what was going on.

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 payments made into Mr L's Virgin Money account and seeing what he's told us.

Mr L was under 21 at the time Virgin Money lodged a CIFAS marker against him. Due to his age at the time, this stays on his record for three years so will be removed in September 2026.

On this basis, I don't believe it would be fair and reasonable to ask Virgin Money 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 L's complaint against Clydesdale Bank plc, trading as Virgin Money.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 6 June 2025.

Sandra Quinn  
**Ombudsman**