

The complaint

Mr M has complained HSBC UK Bank plc lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In November 2023 one of Mr M's accounts with HSBC received £7,272. 17 payments were made the same day to two other named accounts with another bank. This caused HSBC to be alerted. They then spoke to Mr M but were unconvinced by his story that this money was a payment to him for building materials. After further review and receiving confirmation from the sending bank that their customer had been defrauded, HSBC closed Mr M's account. They also returned remaining funds to the sending bank and lodged a fraud-related marker on Mr M's record with CIFAS.

After Mr M found his main account was closed, he discovered there'd been a CIFAS marker placed on his record. He asked HSBC to remove the marker. HSBC didn't feel they'd done anything wrong and refused to remove the marker.

Mr M brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. He noted the messages Mr M had provided to our service, and his testimony, that he'd been the victim of manipulation following what he initially believed was a business opportunity and ended being an unwitting victim. However, he felt that HSBC had met the bar required to lodge a CIFAS marker and wouldn't ask HSBC to remove the marker.

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

He's provided further testimony to confirm he'd been the unwitting victim. He felt the messages he's provided showed evidence of coercion explaining why Mr M would have acted as he did to keep his home and family secure. He also didn't believe HSBC had sufficient evidence enabling them to lodge a marker.

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 HSBC must be able to provide clear evidence that an identified fraud was being

committed, and Mr M was involved. This means that they must have more than a suspicion or a concern that Mr M may be involved.

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

I'm aware that I've summarised the events in far less detail than Mr M provided to us, and I've done this in my own words. No discourtesy is intended in taking this approach as my focus is on what I think are the key issues. I've also noted the detailed view that our investigator prepared which, I believe, gave full voice to Mr M's position.

I've seen the evidence provided by HSBC. This is detailed but also involves confidential data about other customers of theirs. They've been able to show links between those and Mr M.

I can also see HSBC received a notification from another bank that their customer had sent £7,272 to Mr M's HSBC account as the result of a scam. Just after this credit, Mr M transferred the majority of the funds to two other accounts in amounts of £500, £450 and £50. HSBC has confirmed there was only one device linked to the operation of this HSBC account, and I see no reason to doubt this was Mr M's.

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

I've paid careful attention to Mr M's testimony but overall, I've found this to be inconsistent. I say this because:

- Mr M has told us that he provided bank and log in details to a third party and the messages he shared with us back this up. That said, there was only one device linked to the account. A third party may well have made the 17 payments on 6 November 2023, but I'm not convinced Mr M didn't know about this.
- When he spoke to HSBC about the large credit, he confirmed this was a payment for building materials. But there's no doubt Mr M knew this wasn't the case and I have to wonder why he was lying. He's also told our service this money never credited the account but this was not true.
- Mr M believes the messages he has shared with our service show he was the victim of coercion. I'm not convinced. It's certainly true that a third party spent time trying to get hold of Mr M who seemed to prove elusive. But I've seen nothing to suggest these messages are threatening specifically. For example, there are many messages just asking Mr M to respond. And whilst a few state *"I am giving u a warning"* and *"otherwise imma go to your house"*, there is also at least one which clearly suggests the individual is wanting to get hold of Mr M so that he can give him his – what I suspect – portion of the proceeds.
- Mr M has told us he was proactive and alerted HSBC to what was going on and tried to close his account. HSBC's evidence doesn't match this.

I appreciate a lot of discussion between Mr M and the third party was conducted on social media where messages are not retained, but I'm satisfied I've seen sufficient evidence to reach a conclusion.

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 M's HSBC account and seeing what use was made of the funds.

On this basis, I don't believe it would be fair and reasonable to ask HSBC to remove the CIFAS marker.

However, I do note that any marker was lodged when Mr M was only 20 years old. I believe this means it will be removed from his record within three years, not six, of it being lodged. If for any reason, HSBC delayed lodging this marker – and I can't see why this would have been the case – they will need to ensure the lodging reflects the timescale of the offence.

My final decision

For the reasons given, my final decision is not to uphold Mr M's complaint against HSBC UK Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 July 2025.

Sandra Quinn
Ombudsman