

The complaint

Mr M has complained Cynergy Bank plc lodged a fraud-related marker on the industry fraud database, CIFAS, in his name and wouldn't pay him compensation after its removal.

What happened

In August 2024 Mr M applied for a personal account online with Cynergy. The same day Cynergy asked Mr M to provide photo ID and gave him a link to verify this. After review, Cynergy decided they didn't want to offer Mr M an account and confirmed this to him.

Mr M made a further application for another account a few days later which Cynergy also rejected. The following day Cynergy added a CIFAS marker to Mr M's record.

In November Mr M called Cynergy to complain. In January Cynergy confirmed they'd taken a business decision to reject Mr M's account applications but admitted they'd made a mistake in adding a CIFAS marker to his record. They confirmed this had been removed two months after it was lodged. Whilst they apologised for this error, Cynergy weren't prepared to offer any compensation to Mr M.

Mr M brought his complaint to the ombudsman service.

Our investigator noted that Cynergy didn't have to accept account applications so didn't think they'd done anything wrong in rejecting those from Mr M. She also could see that during the time Cynergy had loaded a CIFAS marker on Mr M's record, there was another CIFAS marker on his record that another financial provider had previously loaded. She didn't think what Cynergy had done had had any impact on Mr M.

Unhappy with this outcome, Mr m has asked an ombudsman to consider his complaint. He felt Cynergy should be paying for the mistake they made.

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.

There are two aspects to Mr M's complaint – the account opening and the impact of the CIFAs marker. I have considered both of these.

Firstly financial providers are able to decide what customer segment they wish to serve (whilst ensuring they meet regulatory requirements). It is up to them to accept or not the applications they receive.

In this case I am satisfied that Cynergy decided that they didn't wish to have Mr M as a customer as his applications were outside of their risk appetite. At the time these applications were made, Cynergy would have been able to see an existing CIFAS marker which had been on Mr M's record since 1 August 2024.

It is not generally our service's role to tell banks they must accept applications. I won't be doing so here.

After they reviewed Mr M's applications, Cynergy loaded a CIFAS marker onto the industry fraud database.

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."

I don't, however, need to review this aspect in detail as Cynergy admit they made an administrative error in lodging the marker in the first place. I can see from Cynergy's records that this marker was lodged on 1 October and was removed on 4 December 2024.

I have considered whether compensation is fair and reasonable but at the time this marker was on Mr M's record, there was a pre-existing marker. This other marker was on Mr M's record from 1 August 2024 until the other financial provider removed this in January 2025. I'm unconvinced that a further marker would have had any more impact than the existing one.

When we consider whether compensation is payable, we consider the impact this has on the customer. I know Mr M believe Cynergy should pay for their error, but our role is not to punish financial providers for the errors they make but the impact of those errors.

As I have explained, I'm satisfied that what Cynergy did was wrong but there would not have been an impact on Mr M, because of the pre-existing marker.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 October 2025.

Sandra Quinn
Ombudsman