The complaint

Mrs A complains that Bank of Scotland plc trading as Halifax unfairly recorded a marker against her name on a fraud prevention database, Cifas.

What happened

Mrs A applied for a joint mortgage with Halifax in 2023. The application was declined. Mrs A says she later discovered Halifax had recorded a marker against her name on the Cifas database under 'false application'.

Mrs A complained to Halifax and asked for the marker to be removed. She said she didn't know why the marker had been applied. Halifax said it was satisfied it had sufficient grounds to apply the marker and it wouldn't remove it. Mrs A remained unhappy so referred her complaint to our Service where one of our Investigators looked into it.

Our Investigator thought Halifax had acted reasonably by applying the marker. He was satisfied Halifax didn't need to provide information to Mrs A when it applied the marker, but suggested she contact Cifas directly to request further details. Mrs A didn't accept this and requested an Ombudsman review the complaint. She stressed the impact of the marker in preventing her from obtaining future credit and said she is unable to provide any evidence as she doesn't know the reasons for the decision to apply the 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.

Fraud prevention agencies play an important role in combating fraud in the financial services industry, allowing the sharing of information between financial businesses to protect themselves and their customers from fraud. It is a serious step for a financial business to record an entry against someone on the Cifas database and the consequences can be severe. So, it's important that any reports to these databases are accurate and justified.

Cifas' guidance to its members makes clear that a report is only justified where there is reasonable suspicion of fraudulent activity such that a report could be made to the police or other authorities (whether or not such a report has actually been made). The evidence must be clear, relevant and rigorous.

In considering this complaint, I am deciding whether it was fair and reasonable for Halifax to decide the threshold to record a Cifas marker has been met.

Halifax has told us that Mrs A provided copies of her self-assessment tax returns to support her mortgage application. Halifax had concerns about discrepancies in these documents. It has provided evidence to support it was unable to verify the information Mrs A provided. I'm satisfied that based on this, Halifax had good reasons to consider Mrs A had provided false documentation to support her mortgage application. Therefore, it was fair and reasonable for Halifax to record a Cifas marker against Mrs A.

I appreciate what Mrs A has said about how the marker will likely impact her in future. But I can’t say Halifax should remove the marker because of this. I consider Halifax had reasonable grounds and sufficient evidence to record the Cifas marker, so it is fair that this is recorded, and other potential lenders can be notified. It will be each individual lender’s decision whether it lends to Mrs A.

Mrs A has said she doesn’t understand the reasons why the marker has been recorded against her. While Halifax didn’t need to notify Mrs A when it recorded the Cifas marker, I do agree that Halifax could have done more to tell Mrs A why it had recorded the Cifas marker when she complained. But I don’t consider Halifax needs to do anything else as I’ve already explained I’ve found it had sufficient evidence to support recording the marker. Mrs A is entitled to know what information is recorded with Cifas about her. If she has not done so already, Mrs A can contact Cifas directly to request the information it holds about her.

My final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs A to accept or reject my decision before 9 September 2025.

Emma Taskas
Ombudsman