

## The complaint

Mr L complains that HSBC UK Bank Plc ('HSBC') filed an adverse Cifas marker about him.

## What happened

Mr L applied for a basic bank account with HSBC in June 2024. HSBC declined Mr L's application and in July 2024, it filed an adverse marker about Mr L with Cifas under the reason 'false application'.

Mr L complained to HSBC in July 2024. He said the information HSBC had relied on to register the Cifas marker was incorrect and he could provide evidence of his identification documents (ID) and proof of address, to demonstrate that HSBC had made an error in filing the marker.

HSBC shared its final response with Mr L in July 2024, and it explained that as part of its account opening process, HSBC completed a search and shared information with fraud prevention and credit reference agencies. As a result of the searches, HSBC had found information that affected its decision not to open an account for Mr L. And the decision was made in line with HSBC's account terms and conditions.

HSBC wrote to Mr L in August 2024 and acknowledged Mr L had contacted it again regarding the matter. HSBC asked Mr L to visit one of its branches and provide ID and address documents so that it could review them and decide if it changed things.

Mr L visited a HSBC branch and provided his driver's license, passport and a copy of his tenancy agreement. Mr L says he visited HSBC branches on three occasions to provide the information, including in December 2024, when he says he was told that his complaint couldn't be located. HSBC acknowledged that Mr L made branch visits twice but didn't have a record of Mr L visiting in December 2024, to chase things up.

Mr L contacted HSBC in January 2025 and it issued a further final response to explain that it'd reviewed the information Mr L had supplied but its decision to decline Mr L's basic account application and register a Cifas marker remained.

Mr L referred his complaint to our service. He said the marker was having a significant impact on him as he was unable to open any bank accounts and he was unable to work because he didn't have an account for a salary to be paid into. Mr L supplied a copy of his credit file and tenancy agreements for his current address. And he explained he'd lived at the address for more than three years.

Our Investigator didn't uphold the complaint. In summary, they said:

- There are some circumstances under the Payment Account Regulations 2015 (PARs) where a basic bank account shouldn't be opened and this alongside other relevant laws and legislation had been taken into account. Considering the information available, HSBC hadn't made an error in not opening an account for Mr L

- The marker HSBC filed with Cifas was intended to record that there'd been a 'false application', with one or more falsehoods when attempting to obtain a financial product
- HSBC needed to have strong evidence to show Mr L was deliberately dishonest when attempting to open a basic account, in order to meet the burden of proof required to register a Cifas marker
- There would need to be a plausible explanation for the material falsehoods concerning the application and after considering the evidence and testimony Mr L had provided regarding why the Cifas marker should be removed, it was reasonable for HSBC to have recorded the marker
- Mr L said he'd contacted HSBC three times to have the marker removed and he said he didn't receive an update from HSBC after he submitted evidence to it. Whilst it was possible that HSBC's customer service could've been better, it wasn't necessary for HSBC to compensate Mr L for this. With regards to the issue Mr L raised about HSBC not being able to find his complaint when he visited a branch in December 2024, it wasn't one that a finding could be made on because complaints about complaint handling itself wasn't one our service can investigate

Mr L disagreed. In short Mr L said:

- HSBC hadn't met the required standard set out by Cifas to register the marker and no intent to deceive HSBC had been presented
- When Mr L applied for the account, he was only required to provide his address history for the past three years, and any previous addresses cited by HSBC were from beyond this period
- Mr L hadn't used an alias when he applied for the account and the name he'd provided on the application was part of his full legal name. HSBC had misinterpreted Mr L's legal name as a fraudulent one. which breached GDPR principles
- HSBC had unlawfully declined Mr L's basic bank account application under the PARs and HSBC was required to provide the reason for this
- HSBC hadn't treated Mr L fairly in its handling of the matter, which breached the FCA's rules on dealing with complaints and GDPR. Our service was also required to award redress when operational errors had caused detriment to Mr L
- Mr L has dyslexia which HSBC was made aware of following his application and this would account for any typos or errors in the application form. HSBC had breached the Equality Act 2010 by not making reasonable adjustments for Mr L
- Mr L had provided supporting evidence such as utility statements which showed the shortened version of his name had been used on such documents

Our Investigator reviewed the points Mr L made and asked Mr L for additional information regarding the customer service issues he was unhappy about, relating to the handling of his complaint.

The Investigator said that the shortened version of Mr L's name that he'd given to HSBC as his forename appeared to be a name he'd started to use more recently. And he hadn't provided HSBC with details of any other names he's known by. Taking into account what Mr L had said about his dyslexia, it didn't seem plausible that the information provided to HSBC when applying for the account was due to anything other than deliberate misrepresentation by Mr L. And our service wouldn't be able to make a finding on Mr L's claims that HSBC had breached GDPR.

They added that HSBC could've dealt with Mr L's complaint and his request to appeal its decision to register a Cifas marker sooner. But HSBC's decision remained unchanged, so ultimately, it didn't alter Mr L's position.

As no agreement could be reached, the matter 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.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr L and HSBC have said before reaching my decision.

#### *Application decline*

The Payment Account Regulations 2015 provide that everyone legally resident in the United Kingdom who meets certain eligibility criteria has the right to open and use a basic bank account. HSBC is one of the banks required to offer such accounts and under the regulations, HSBC can then only refuse an application for a basic account in certain circumstances – such as where it may be unlawful to do so, for example, if opening a basic account would be contrary to the Fraud Act 2006 or money laundering regulations, although this list isn't exhaustive.

HSBC has told us in confidence why it rejected Mr L's application and Mr L is aware that HSBC registered a Cifas marker against him due to '*material falsehoods in the information provided*' when he applied for a basic bank account.

Having considered HSBC's reasons for declining Mr L's account, I consider it did so to comply with its legal and regulatory obligations and I find it acted fairly in the circumstances.

#### *Cifas marker*

I acknowledge a Cifas marker will have a severe impact on Mr L, so I've thought very carefully about whether HSBC has acted fairly in loading one.

The marker that HSBC asked Cifas to apply is for application fraud. For HSBC to record this, they are expected to demonstrate that they have clear, relevant and rigorous evidence to

show that during the application process one or more material falsehoods were submitted by Mr L.

Mr L informed HSBC that he'd lived at the address he provided on his application, since December 2016, but he informed our service that he'd resided at the address since September 2020. One of the reasons the Cifas marker was loaded by HSBC was due to a failure to disclose a previous address where there was adverse credit information registered against Mr L. The information Mr L provided to HSBC was inconsistent with what he provided to our service regarding his address history, and I think the most likely reason anyone would omit address history with adverse credit information in such circumstances, would be to hide that information, so that they would be more likely to be approved for a financial product.

Mr L says the name he provided to HSBC in his application, was a recognisable part of his legal name. I've looked at what HSBC would've asked Mr L when he applied for the account and the form states that first, any middle and surnames needed to be provided '*as they appear on identity documents.*'

Mr L didn't provide his first name as stated on his identity documents when he made the application. I acknowledge Mr L's comments regarding his dyslexia but I don't think he made an innocent mistake when he didn't provide his full name to HSBC on the application. So, I think that on the evidence available, it was fair and reasonable for HSBC to conclude that there were inaccuracies amounting to material falsehoods in the application – and so by extension I think HSBC acted fairly and reasonably in referring Mr L to Cifas and will not be asking it to do anything further.

Mr L has mentioned he feels HSBC didn't make reasonable adjustments for him due to his dyslexia and this contravenes the Equality Act 2010. While I appreciate this is Mr L's perspective, it is not my role to decide whether HSBC has breached the Equality Act 2010 – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr L has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010. But after doing so, I've not seen evidence to indicate Mr L was treated unfairly. I can't see HSBC were aware of Mr L's dyslexia when he applied for the account, nor have I found that he requested any support with completing the application. And I'm satisfied the actions of HSBC were to comply with its regulatory obligations.

I would add too, that it isn't our service's role to decide whether there has been a breach of data protection rules here, that is for the ICO to determine, but instead to see what has happened and whether Mr L has been treated fairly – which I consider he has been. If Mr L remains unhappy with the response he receives, he may wish to complain to the ICO should he feel HSBC has breached data laws.

### *Service*

Mr L feels strongly that the overall service and communication he received from HSBC was poor.

Even if I found that HSBC had done something wrong in relation to the service Mr L received, I wouldn't award Mr L any compensation as I don't find it would be appropriate here. I understand Mr L would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

**My final decision**

For the reasons above, I have decided to not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 November 2025.

Khadijah Nakhuda  
**Ombudsman**