

The complaint

Mr A complains The Co-operative Bank Plc ("Co-op") recorded a marker against him at Cifas, a national fraud database. He doesn't think it's treated him fairly.

What happened

I issued my provisional decision on this complaint, setting out why I didn't intend to uphold it. I invited both parties to let me have their responses before I reconsidered matters. Below is a copy of my provisional decision.

Copy of provisional decision

Co-op had an account opened with it in January 2024, using Mr A's details. In May 2024, it was designated to receive a payment from a third-party, through a bank transfer. However, Co-op systems managed to stop the payment from crediting the account following a fraud report.

Co-op contacted Mr A for some information about the payment and when it didn't get a response, it decided to file a misuse of facility marker at Cifas, as it believed he'd been complicit in fraud. It also closed the account and sent a text message about this.

Mr A found out about the marker and complained that he'd not done anything to cause this. He said he'd never applied for the account and didn't even know Co-op offered banking facilities. He submitted the marker was affecting his ability to get a bank account and he needed it removed. Co-op reviewed the information but didn't think it had made a mistake. Dissatisfied, Mr A contacted us.

One of our investigators looked at the case. She acknowledged what Mr A had said and provided but based on the available evidence, she was satisfied he'd applied for the account. However, she didn't think Co-op had met the bar for loading the fraud marker because the funds hadn't reached the account. She also thought Co-op ought to have done more to contact Mr A at the time to get his version of events. In the circumstances, the investigator recommended the marker be removed.

Mr A accepted the findings, but Co-op didn't. It said it had taken account of Cifas's own guidance about loading a fraud marker and looked at the account activity when making the filing. And it was satisfied the relevant requirements had been met. It submitted that whilst money didn't enter the account, this was only because its fraud systems had prevented it. It said it didn't believe the intention of Cifas principles was for a marker not to be loaded where a member had intervened and stopped the funds from being taken. In addition to this, it submitted that it had asked Mr A for a plausible explanation as to why he was expecting the payment, but to date he hadn't provided one, and it questioned why he'd said he hadn't opened the account when our investigation had found that he had.

When the investigator didn't change her mind, the case was put forward for a decision.

What I've provisionally 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 don't intend to uphold this complaint. I realise Mr A will be disappointed, so I'll explain why.

Mr A's testimony has been he didn't apply for the account that was the intended beneficiary of funds that were the subject of a fraud report. I've thought about this, but I don't find what he's said persuasive. Whilst it's possible he may have been a victim of an impersonation, where a third party could have got hold of some of his personal details, such as, name, date of birth, email address etc, I consider it less likely that they would have arranged to have the card and PIN sent to his address. Co-op's debit card report shows it issued both these items to the same details we hold for Mr A and that there weren't any attempts to change the details for another address. So, I'm satisfied that's where the card and PIN went.

I've also reviewed the account activity, and I can see that after the account was opened, £230 was paid into it from another account held in Mr A's name with another provider. £220 of this was then withdrawn at a cash machine - later the same day - using the same card and PIN referenced above. I've thought about this information, and don't see what an unknown third party would gain from operating the accounts in this way. There's no plausible explanation for money moving between the two accounts without Mr A's knowledge. Considering the evidence, I'm persuaded Mr A applied for the account and he didn't disagree or comment on the investigator's findings on this point either.

I've gone onto consider whether it was right for Co-op to record the marker. I've weighed the evidence, and I'm satisfied it was appropriate for the bank to do so. Cifas guidance to its members says, to file such a marker, it's (the business) isn't required to prove beyond reasonable doubt that Mr A is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. This goes onto say, there must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted, and the evidence must be clear, relevant, and rigorous. Looking at the fraud report, and where the funds were marked to go, there was an attempt to have them paid into Mr A's account. I don't consider the fact that the payment was intercepted changes the nature of the activity or crucially the intent. Co-op also contacted Mr A to ask him why he'd been expecting the payment, which is exactly what I'd expect it to do. However, it didn't get a response. It also didn't get a response to the SMS message it sent to his number, telling him that it had decided to close the account. If Mr A genuinely knew nothing about the account or the account activity, I would have expected him to have queried this with the bank immediately but there was no contact until his complaint about the fraud marker.

In conclusion, I must base my findings on the evidence and what weight to put on it. All the points collectively support Co-op's position that it had enough evidence to record the fraud marker, so I don't find an error occurred and therefore I won't be requiring the marker's removal.

My provisional decision

My provisional decision is that I don't uphold this complaint.

Responses

Co-op responded to say that it accepted the decision. However, Mr A said he did not. He provided most of his comments verbally via our investigator. In summary, he said:

- He was shocked with the outcome; his life was on pause because of this. I should have regard for his personal circumstances.
- He didn't understand how this could have happened to him.
- Why would he have jeopardised his education.
- He was unaware that Co-op had contacted him. If he'd known, he would have responded to say he'd been a victim of fraud, but he never received any comms.
- He'd only discovered the existence of the marker later and he arranged to contact Co-op straight away, stating he'd not opened an account. He'd waited a while before he got a response.
- Whilst he hadn't responded to the investigator's findings about him opening the account, he didn't think he needed to. He maintained he hadn't opened it.
- Someone must have been opening accounts in his name and hacked his information. In fact, there have been data leaks reported recently in the media.

Mr A also sent emails after my provisional decision.

The case has been passed back to me for reconsideration.

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.

It is difficult not to think about the impact the marker is having on Mr A – such a filing is after all a serious matter. But I must also look at the evidence objectively and the weight of it to decide whether Co-op was justified in recording and maintaining the loading.

In relation to this, Co-op's evidence shows that the account was opened with details matching Mr A's. And that it sent information about the account to the address matching his. This included a SMS message and email sent to him at the only telephone number recorded on the account also matching Mr A's. Mr A says he doesn't know anything about this and suggests someone else must have done this to him; either by hacking his details or there's another explanation – he's mentioned data leaks. But the difficulty is that there isn't any direct evidence to support this is what happened or that information was intercepted to keep all of this from him.

I'm sorry because I know this isn't the outcome Mr A was hoping for, but based on the available evidence, I'm satisfied Co-op has enough to support its decision to file the misuse of facility marker and therefore, I'm not going to ask the bank to do anymore. I also adopt my provisional decision as part of this final decision.

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 Mr A to accept or reject my decision before 25 September 2025.

Sarita Taylor
Ombudsman