

The complaint

Mr and Ms G complain that The Mortgage Works (UK) Plc (TMW) refused them a buy to let mortgage and reported Mr G to a fraud prevention database. Mr G complains about the marker reported about him, and they both complain about the increased cost of the mortgage they were able to obtain compared to the one they would have got had TMW accepted their application.

What happened

In 2021, Mr and Mrs G applied to Nationwide Building Society for a residential mortgage. The application was accepted and the mortgage completed.

In 2022, Mr and Mrs G applied to TMW for a buy to let mortgage secured over a different property. Nationwide and TMW are separate firms, but Nationwide owns TMW and they have systems and functions shared between the two.

TMW initially issued a mortgage offer. But shortly afterwards it withdrew the offer. It didn't explain why, but it said it wasn't prepared to lend to Mr and Mrs G. They applied to another lender and were successful in getting a mortgage, but at a higher interest rate than they had applied for with TMW.

Mr G later discovered that TMW had made a report about him to CIFAS, a fraud prevention database. He complained to TMW. He said he had since had applications for other finance refused. He had suffered stress and embarrassment and potential lost job opportunities. And he and Mrs G were forced to take more expensive lending on their buy to let mortgage.

TMW said it hadn't done anything wrong. It had made the report to CIFAS because Mr G had given conflicting information between the Nationwide application and the TMW application six months later.

TMW said that when Mr G applied to Nationwide, he said as part of the application that he was due to start a new employment role on 6 September 2021. But when he applied to TMW a few months later, he gave a different role and a lower salary. It found the discrepancy when it reviewed the second application against the first, and it was that which led it to make the report to CIFAS.

Mr G said that he had never started that role. It was an offer of employment, and he had been up-front about that during the Nationwide application. Unfortunately, just before he started the job, the company experienced some difficulties and the offer was postponed, and then a few weeks later it was withdrawn, so he never started the role. When he later applied to TMW, therefore, he didn't include the same employment information he'd given on the Nationwide application, because that role was no longer available to him. Instead he said what his actual employment was at the time of the TMW application. Any difference between the two applications was because his circumstances had changed in the meantime, not because he had given misleading information on either application.

TMW didn't agree to remove the marker. It maintained that it hadn't done anything wrong. It

said that the Nationwide mortgage didn't complete until 16 September 2021, after the job offer had been withdrawn, but Mr G hadn't told Nationwide that his circumstances had changed before completion.

Our investigator thought the complaint should be upheld. He said that TMW should remove the CIFAS marker and pay Mr G £250 compensation, and it should also pay the difference between the interest charged on the mortgage Mr and Mrs G were able to obtain compared to the offer TMW withdrew. TMW didn't agree, and asked for an ombudsman to decide the complaint.

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.

The CIFAS report is for "false application", and it says that an application to TMW for a buy to let mortgage was made with "material falsehoods in the information provided".

CIFAS requires its members only to make a report where the standard for doing so is met – which is that there should be clear, relevant and rigorous evidence giving rise to a reasonable suspicion that fraud or financial crime has been committed or attempted. There are several different fraud offences, but a common feature is dishonestly seeking financial gain.

There's no dispute that Mr G gave different information about his employment on the Nationwide and TMW applications. However, TMW hasn't provided any evidence, or sought to suggest, that the information Mr G gave on the TMW application was incorrect. Rather, it seems to be suggesting that Mr G gave false information on the Nationwide application – even though it made the CIFAS report about the TMW application.

Mr G accepts that at the time of the Nationwide application he hadn't started the job role he gave as his employment. He says – and it's not been disputed – that he made clear as part of the application that this was an expected new role he hadn't yet started.

In fact, Mr G never did start in that role. He says that he was at first told the role would be delayed, then that it had been withdrawn altogether. Our investigator asked him for evidence of the job offer and withdrawal, but Mr G said that he hadn't retained any evidence. If what Mr G says is correct, it's not surprising that he hasn't kept paperwork for a job he never actually took for over four years.

The Nationwide mortgage offer included the following:

We are committed to making this loan before the offer expires unless:

- There is a material change in your personal or financial circumstances

While this does say Nationwide can reconsider the offer where there is a material change of circumstances, it doesn't actually say that Mr G is required to notify it of a material change of circumstances before the offer completes. Mr G says that in any case when the mortgage completed he hadn't yet been told that the role wouldn't be going ahead, he just thought there had been a short delay. Once he found out the role wouldn't be happening at all, the mortgage had already completed and he thought he just had to get on and keep up with the payments as best he could.

There's very little evidence of all this. Mr G hasn't kept any paperwork relating to the role.

TMW hasn't provided any evidence of any checks Nationwide might have done before issuing its offer.

I've borne in mind the CIFAS evidential standard I set out above. I'm not persuaded there's sufficient evidence for me to fairly find that the standard was met. Nationwide was prepared to lend on the basis that Mr G hadn't yet started in the new role. Job offers can be withdrawn, and it's not surprising that if this is what happened Mr G hasn't retained the paperwork. The discrepancy between the two applications can be explained just as easily by a change in circumstances as it can by an attempt by Mr G to mislead either Nationwide or TMW. Even if Mr G's offer was withdrawn before, not after, the Nationwide mortgage completed I don't think it's clear from what I've seen that Nationwide made clear that he had to tell it that. I don't think there's enough for me to fairly conclude that there's clear relevant and rigorous evidence that Mr G dishonestly sought to mislead either Nationwide or TMW. It follows that TMW shouldn't fairly have reported him to the database, and it should remove the marker now.

Discovering the marker, and having to complain about it, has caused Mr G distress and inconvenience. I agree that £250 is fair compensation.

Finally, TMW accepts that but for the concern about the discrepancy in the applications, the mortgage would more likely than not have gone ahead. It had already underwritten this application and made an offer – only withdrawing it when the discrepancy came to light. I think, acting fairly, TMW ought to have made further enquiries before withdrawing the offer. There were discrepancies between the two applications – but they were made months apart. Circumstances can and do change over that time. TMW ought to have investigated, rather than assuming that the only explanation must have been dishonesty. If it had done so, it may well have found that there was an innocent explanation in this case.

I'm therefore satisfied that if it had done that, it's more likely than not that Mr and Mrs G would have gone on to complete their mortgage with TMW, rather than the alternative lender. TMW should therefore compensate them for the additional interest they ended up paying as a result.

The TMW offer was for borrowing of £170,172 at a fixed rate of 2.14% until 31 March 2027. There was a product fee of £1,995 which was to be added to the loan. The monthly payments were £621.73 in the first month, followed by £307.91 per month thereafter.

The offer Mr and Mrs G ended up taking was for borrowing of £170,667 at a fixed rate of 2.71% until 30 June 2027, plus a product fee of £495 which was to be added to the loan. The monthly payments were £384.99 per month.

TMW should therefore calculate the difference between the costs of the two mortgages over the period from the start of the mortgage Mr and Mrs G actually took to the end of the TMW interest rate on 31 March 2027. It should factor in both the higher interest rate and the lower product fee. It should then pay that sum to Mr and Mrs G. I don't require TMW to add interest to the compensation, because while they have been out of pocket for sums paid to date, that is offset by the benefit of having compensation for payments to March 2027 in advance.

My final decision

My final decision is that I uphold this complaint and require The Mortgage Works (UK) Plc to:

- Remove any report about Mr G to fraud prevention databases;
- Pay Mr G £250 compensation; and
- Pay Mr and Mrs G the difference between the cost of the two mortgages as

set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 17 November 2025.

Simon Pugh
Ombudsman