

The complaint

Mr H has complained HSBC UK Bank plc won't remove a fraud-related marker they've lodged in his name.

What happened

Mr H discovered a fraud-related marker in his name which HSBC had lodged. This was causing him increasing inconvenience in managing his finances.

Mr H contacted HSBC but they wouldn't remove the marker as they believed Mr H had omitted information deliberately to mislead them when applying for an account with them.

Mr H brought his complaint to the ombudsman service.

Our investigator reviewed the evidence in detail. She felt that HSBC hadn't met the bar in showing that Mr H had knowingly attempted to commit a crime. She asked HSBC to remove the CIFAS marker.

HSBC didn't agree with this outcome. They showed they'd considered – and rejected – many account applications from Mr H and felt he'd deliberately omitted address data to increase his chances of being granted an account. They were also concerned Mr H hadn't confirmed his middle name and believed he'd deliberately tried to commit fraud.

Mr H's complaint has been referred to an ombudsman for decision.

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.

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.”

So HSBC must be able to provide clear evidence that an identified fraud was being committed and Mr H was involved.

I've seen the evidence provided by HSBC. This confirms Mr H made an application for an account with HSBC in September 2023. The address information provided didn't match the information HSBC was able to see when reviewing Mr H's credit record. They rejected his application and also placed a CIFAS marker on his record a few days later in September 2023.

I've reviewed the information Mr H provided to HSBC. I don't dispute Mr H was not truthful with HSBC. He didn't provide full data on previous addresses he lived.

Mr H has told us of his current mental health issues. These conditions impact how he processes information and manage tasks. He's confirmed he inadvertently put in the date of July 2020 when answering how long he'd been at his current address, rather than July 2023. This meant that the format of the application meant no further questions were asked about other addresses.

I see no reason to doubt what Mr H has told us – particularly when taking into account his health issues. I also note that Mr H made at least three previous account applications with HSBC in 2023. These confirmed previous addresses so I can't see at any stage this had any impact on HSBC. They were able to see the full data on his credit record – which identified defaulted debts over an extended period – and his address history.

I'm not convinced HSBC has sufficient evidence that Mr H has been trying to commit a crime. It's clear from his financial history that Mr H has defaults. He's admitted to our service that he has had difficulties in managing his finances. Unlike HSBC, I can't see that Mr H was trying to hide his financial history. I'd imagine he'd have known HSBC would be carrying out a credit search and would expect his financial and address history would be known to them so I can't see that he was avoiding this or trying to mislead. He'd also have known that he'd applied for accounts with them before so may even have thought that they'd retain data from those applications.

I appreciate HSBC's concerns here that Mr H has been trying to actively mislead them. But I'm not convinced that the evidence they've got is sufficient to meet the requirements as required by the CIFAS rules.

Putting things right

I'm going to instruct HSBC to remove the marker they lodged on Mr H's fraud-related record.

I've also considered whether additional compensation should be paid to Mr H. However, I won't be doing that as that would be rewarding him for an error he admits making.

My final decision

For the reasons given, my final decision is to instruct HSBC UK Bank plc to remove the fraud marker from Mr H's CIFAS record.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 January 2026.

Sandra Quinn
Ombudsman