

The complaint

Mr H complains that HSBC UK Bank Plc (“HSBC”) unfairly lodged a Cifas marker against him.

What happened

Mr H applied for an account with HSBC. They processed the application and issued a card. But, shortly after, they told Mr H they were closing the account. HSBC then lodged a Cifas marker against Mr H. Cifas are a fraud prevention organisation.

Mr H became aware of the marker when he ran into difficulties arranging insurance and other financial products. He complained to HSBC who didn’t change their position regarding the marker.

Mr H then brought his complaint to our service where he explained he’d been the victim of identity theft after having his phone stolen. He said multiple accounts, loans and policies were opened in his name and he’d reported the matter to the police.

Mr H said that a number of organisations had accepted he’d been a victim and closed those accounts. He provided some evidence to support this.

Mr H was also suffering from numerous life altering conditions and was receiving treatment. He said the impact of the Cifas marker had caused him numerous difficulties.

HSBC were asked to provide evidence they’d relied on to lodge the marker. They sent documents relating to the application Mr H had completed which, amongst other things, showed previous addresses. It was HSBC’s argument that Mr H had failed to include one particular address that had an outstanding debt linked to it.

After reviewing the evidence, the investigator didn’t think that HSBC had acted unfairly by applying the marker and didn’t uphold Mr H’s complaint.

Mr H continued to assert he had nothing to do with false applications and blamed the identity theft on records that showed he was in debt to other businesses.

Further investigations were undertaken, and Mr H was asked about this address. He told our service that he’d stayed there for a short while before returning to his home country to deal with a family emergency. He said he wasn’t aware of the debt or the company that had opened an account in his name. Mr H raised the debt directly with that company.

Numerous additional details were provided by Mr H, including lists of accounts opened in his name which he’d reported and confirmations from some other businesses that accepted he was the victim of identity theft.

HSBC were asked to review the additional evidence and consider removing the marker. After assessing the information, they declined to do so, believing the marker was properly applied.

HSBC said that Mr H hadn’t raised the issue of identity theft when he spoke with them (presumably this related to the complaint he raised).

As no agreement could be reached, the complaint has been passed to me for a decision.

I issued my provisional findings on the merits of Mr H's complaint on 8 October 2025. In my provisional findings, I explained why I intended to uphold Mr H's complaint and offered both sides the opportunity to submit further evidence or arguments in response. An extract of that decision is set out below and forms part of this final 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.

Cifas markers are powerful tools to inform other organisations about historical applications if there's evidence to link a person to suspected fraud/financial crime. The impact can be extensive as it lasts for six years and can restrict that person's access to financial products.

The standards are strict for good reason and it's HSBC's responsibility to ensure they meet those standards before lodging a marker. Having reviewed the evidence here, I don't think they have met them, so I'll explain why.

The two principal standards that HSBC are required to meet (for the purposes of this complaint) are:

- That there are reasonable grounds to believe that a Fraud or Financial Crime has been committed or attempted;*
- That the evidence must be clear, relevant and rigorous.*

HSBC lodged the marker after an address used by Mr H wasn't added to his account application. I don't think there's any disagreement here that Mr H stayed at that address, there was a debt on it in his name, and he hadn't put it (the address) on the application.

I think there's an argument that HSBC didn't have enough evidence here to believe that there was fraud or financial crime. The debt wasn't linked to HSBC, and I haven't seen any reporting showing it was in fact Mr H who generated that debt or was linked to fraud or a financial crime. All that I've seen is that the debt's in his name. So, whilst I have some reservations about the level of evidence relied on to meet the first category, it's the second requirement that I find more problematic.

When we asked Mr H about the address, he told us that he'd briefly stayed there with relatives. He's also supplied numerous documents that support his assertion that he was the victim of widespread identity theft. That includes an acceptance by some other businesses that his details were used without his permission to obtain other financial products.

Reviewing Mr H's application for the HSBC accounts shows that Mr H put other addresses on it where he was registered as staying. They include addresses that were also used to obtain other financial products in Mr H's name. If Mr H had deliberately missed off an address based on a debt to further his HSBC application, would he not have tried to minimise other addresses where there was also a debt/problem? As there were multiple accounts set up in his name using other addresses, it doesn't seem logical to then not list one other because of a debt.

It appears that HSBC relied on their own assessment to lodge the marker without asking Mr H about it. I understand HSBC believe they didn't need to speak with Mr H in respect of this particular marker. They've referenced certain Cifas requirements that specify speaking to persons about the circumstances and argue that this marker isn't one where they needed to. Whilst that may be a Cifas rule for one particular category, it doesn't overcome HSBC's obligation to meet the standards laid down by Cifas, or to act fairly.

I've taken Mr H's testimony on face value, and he's argued throughout that he's the victim here. For the purposes of this complaint, HSBC don't appear to have looked into the situation or tried to ascertain the broader picture. They told me that Mr H didn't mention the

identity theft when he complained – whilst that may well be the case, he wasn't aware why the application had been closed, so I'm not surprised that the fuller picture hasn't come out.

Mr H has provided a plausible and evidence backed position that he wasn't responsible for the widespread use of his identity to obtain funds. He's challenged the particular debt that was linked to the address he failed to put on his application, although I haven't seen the outcome for that enquiry. He says he was staying with extended family (he confirmed for less than a month), so I can understand why he didn't list that address. I'm sure it's fairly common for people to move around and stay with friends or family for short periods, whilst not considering that time as something they'd put on an application.

HSBC had the opportunity to obtain Mr H's version of events before applying the marker; they didn't based on the approach they were following. However, my current thoughts are that rigidly sticking to that approach here hasn't resulted in a fair outcome for Mr H.

Mr H's version of events gives an alternative to that which HSBC believed, so I think there's now sufficient doubt to show HSBC didn't meet the standards laid down by Cifas.

I'm intending to overturn the complaint and uphold it in Mr H's favour. I understand he believes that the marker is solely responsible for his difficulties. In considering redress, I also have to take into account that damage to Mr H's credit would most likely have been caused by the large number of false applications that were made in his name. So, many of the issues he's faced will likely be the result of this widespread use of his identity.

So, I'd suggest that Mr H give some thought to the redress, taking into account my thoughts. Much of what he experienced is likely the result of criminals destroying his financial credit, rather than solely HSBC lodging a marker. I can only consider further redress if it can be shown that HSBC's actions caused that negative impact. So, together with the recommendation that the marker be removed, I'm currently considering a payment of £200 to be awarded to Mr H for the stress caused by HSBC's marker."

I invited Mr H and HSBC to give me any more evidence and information they wanted me to consider before issuing my final decision. Both parties responded, resulting in additional correspondence and information requests. Mr H accepted the removal of the marker but thought the award for redress was insufficient, arguing that HSBC were responsible for his financial losses, mental difficulties (including suicidal thoughts) and inability to work.

HSBC disagreed with the provisional decision, arguing that:

- They believed Mr H was now denying he'd made the application.
- Mr H used the same ID and "selfie" picture when he made applications.
- *"Whilst we are not saying that identity fraud has not occurred, it is down to the customer to resolve outstanding debts that may have occurred when his identity was stolen."*
- Mr H had made an earlier application using the contested address.
- HSBC argue the omission on the later applications was due to the adverse credit history at that address.

Additional enquiries were made with Mr H and he confirmed making the earlier application with the contested address because he was staying there at the time. Due to his personal medical and broader family health concerns, Mr H needed a secure address to receive personal correspondence. He says he never considered it as a permanent address, which is why he didn't add it to the later applications.

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, and as neither party had anything further to add that would change my provisional assessment, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision.

I would like to address HSBC's comments, particularly their belief that Mr H is now denying the opening of accounts. Mr H has confirmed he was responsible for the applications made to HSBC, both the October 2023 and later 2024 applications. He's supplied a plausible reason for adding the address on the October application and why he didn't on the later ones.

I've also considered here that Mr H has consistently said he was very ill and suffering from significant health problems. As I've said, I've taken Mr H's submissions at face value and based on the overall picture he paints, he was dealing with substantial issues in his life and was staying with family at the address that accrued the debt in his name.

HSBC have argued that it's Mr H's responsibility to resolve debts in his name when his identity was stolen. As far as I can tell, he's been doing that and as I'm sure HSBC will accept – identity theft is a difficult and time-consuming issue for the victims to unravel and it would be unfair to treat him as if the debt was accrued by Mr H himself without stronger evidence.

Overall here, I'm unsatisfied that HSBC have been able to show they had sufficient evidence to link Mr H to the ownership of the debt. Without that evidence, I don't think HSBC had near enough information to form a conclusion that entitled them to lodge a Cifas marker against him.

Redress

Mr H believes all his problems lie at HSBC's door and whilst it's apparent he's likely had some difficulties as a result of the marker; I've also taken into account the impact of the identity theft. Given the breadth of false accounts Mr H has demonstrated, it's likely that much of the difficulties with Mr H's credit history stems from that, rather than directly from the Cifas marker. It's difficult for Mr H to argue he was the victim of such a broad misuse of his identity and then say all of his problems were directly linked to HSBC.

Mr H has not been able to provide much in the way of evidence that ties HSBC (rather than the identity theft) to his problems. I don't doubt that the marker has caused some difficulties, which is why I think it's both fair and reasonable to award £200 redress along with the removal of the marker in his name.

My final decision

My final decision is that I uphold this complaint against HSBC UK Bank Plc and in order to settle it they're now required to:

- Remove the CIFAS marker in Mr H's name.
- Pay him £200 for the stress and inconvenience caused by the marker.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 December 2025.

David Perry
Ombudsman