

The complaint

Mr T complains HSBC UK Bank Plc has recorded his personal details with Cifas – a fraud prevention database - and won't remove them.

What happened

On 15 January 2024, Mr T received a payment of £13,156 into his account. HSBC later received information that this payment had been made to Mr T's account fraudulently.

HSBC said it tried to contact Mr T to ask him about the payments but said he didn't reply. Following a complaint, HSBC still refused to remove the Cifas marker. So, Mr T referred the complaint to our service.

An Investigator considered the circumstances. He said, in summary, he felt the complaint should be upheld and HSBC ought to remove the Cifas marker and pay Mr T £200 in recognition of the distress and inconvenience caused. He said this because HSBC couldn't provide the evidence it had relied on to load the marker.

HSBC didn't accept the Investigator's findings. It maintained it had been entitled to register the Cifas marker.

As HSBC didn't agree, the complaint's 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.

The marker HSBC has registered in Mr T's case is a "misuse of facility". In order to record a marker for misuse of facility, HSBC must be able to show a number of requirements have been met, including:

- 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.

Here, Mr T's account received a payment which HSBC says was later reported as fraudulent. HSBC said it tried to contact Mr T and to ask him about the circumstances in which the payment was made. HSBC said Mr T did not respond to its attempts to contact him.

Mr T says the money was paid into his account because he'd sold a piece of commercial equipment from his business. He's provided an invoice which he says documents the sale.

HSBC has told us that the payment was reported as fraudulent – but it can't provide a copy of the fraud report. Nevertheless, it maintains it has sufficient evidence to make the loading in the form of Mr T's statements and the fact that the fraud report was made. I do understand why HSBC had the concerns it did. I also note that the transaction took place in January

2024. HSBC tried to contact Mr T about it later in 2024, and the Cifas marker was loaded in February 2025, but Mr T didn't contact HSBC about it until July 2025. It's not clear to me why Mr T didn't contact HSBC about the marker sooner (given the significant problems he says the marker has caused), nor why he would've waited until the complaint was referred to this service to provide the invoice he now says substantiates his entitlement to the funds. But, even so, the obligation is on HSBC to have the appropriate evidence to support its decision to load Mr T's details to Cifas and, based on the information I've seen, I don't think it does.

Overall, I'm not persuaded HSBC has sufficient evidence in the circumstances of this complaint to register the Cifas marker.

Mr T has told us the Cifas marker is causing him significant distress and financial hardship. I've considered the impact he's told us this has had on him - including the difficulty the marker has caused Mr T when applying for accounts. And while I don't doubt the difficulties Mr T has experienced, I am conscious that he appears to have delayed engaging with HSBC on this matter and had he done so sooner, this may have reduced the impact. So, overall, I find £200 is fair and reasonable in recognition of the distress and inconvenience caused.

My final decision

For the reasons I've explained, I uphold this complaint.

To put things right, I direct HSBC UK Bank Plc to:

- Remove the Cifas marker
- Pay Mr T £200 in recognition of the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 March 2026.

Eleanor Rippengale
Ombudsman