

The complaint

Mr L complains that Clydesdale Bank Plc trading as Virgin Money (VM) recorded a marker against him with Cifas, a fraud prevention agency, in connection with a mortgage application.

What happened

In February 2024 Mr L applied to VM through a broker for a buy-to-let mortgage. VM declined his application.

Later in 2024 Mr L applied for mortgages with other lenders but he says his applications were declined. He then found out that VM had recorded an entry against his name with Cifas for a false application with “altered documents”. He made a complaint to VM in February 2025 and asked it to remove the Cifas marker.

Mr L also sent VM another copy of the bank statement he had provided in support of his application in early 2024 and which VM had reported to Cifas as having been altered. He said the marker had resulted in other mortgage applications being declined. He wanted compensation for his resulting losses and for the stress and upset he had been caused.

VM initially said it had made a mistake in reporting the marker and then that there had been no mistake. But it removed the marker on 28 February 2025. It didn't offer Mr L any compensation. It said that other lenders make their own decisions about whether to lend, and that there was nothing to show other applications Mr L made were declined just because of the marker.

Mr L asked us to look into his complaint. Our Investigator recommended that VM pay Mr L £250 for the inconvenience and upset of reporting the marker and the conflicting information it had given about whether or not it had made a mistake in doing so. She wasn't however persuaded that the losses Mr L is claiming arose as a result of the fraud marker.

VM accepted the Investigator's recommendation, but Mr L did not. He still thought he had lost out financially and been caused significant stress because of VM's false accusation of fraud and he should receive substantially more compensation.

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.

When it received Mr L's mortgage application, VM carried out further checks to help it decide whether or not to lend. It has said those checks included obtaining verification that the bank statements Mr L had provided were genuine, but it was told that a bank statement was not genuine and had been altered. This is why it recorded the marker with Cifas. However, when it carried out the same check again in early 2025, when Mr L send it an identical copy of the same bank statement, it was able to verify the statement as genuine. It therefore removed the marker.

VM has said that it no longer has any records of the check it did in early 2024, so it can't now be sure about whether it made a mistake or whether it received wrong information in response to its independent checks. I think that's unhelpful, and it means I can't be satisfied that VM was justified in recording the marker in 2024. However, it removed the marker after checking Mr L's bank statement again. It did so quickly after Mr L contacted it to query the marker, and I think that was the right thing to do.

Mr L owns and lets a number of properties, some in his own name and some through limited companies. He says that the fraud marker restricted his access to credit and, when he could get credit, it was more expensive than it would otherwise have been. He says he had never had any difficulties obtaining credit before this and he was able to take out a mortgage with a mainstream lender after the marker was removed. He says the marker cost him around £125,000 overall, and the stress has had a significant impact on his health and wellbeing.

I've carefully considered everything Mr L has said and provided about the impact the marker has had on him. But I don't think I can fairly compensate Mr L for the losses he claims. Even without the fraud marker, his and his companies' applications may have been declined – mortgages can be declined for many reasons, and lenders are entitled to decide for themselves whether they will lend and if so on what terms. I also note that some of the losses Mr L wants VM to pay relate to limited companies, not to him personally. The companies are separate entities, so I couldn't make awards to them in this complaint in any event. And while some applications were declined, others were approved – mortgage offers were issued by lenders in June and August 2024, while the fraud marker was still in place. In the circumstances I'm not persuaded that I can reasonably find Mr L has been caused quantifiable financial loss as a result of the marker.

VM has agreed to pay Mr L £250 compensation, and I think that's fair in all the circumstances. In taking that view I've considered everything Mr L has said about the stress, upset and inconvenience he has been caused. I've also taken into account the sorts of awards the Financial Ombudsman Service has made in similar cases. I leave it to Mr L to decide whether he now wishes to accept that.

My final decision

My final decision is that Clydesdale Bank Plc trading as Virgin Money should pay Mr L £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 10 March 2026.

Janet Millington
Ombudsman