

The complaint

Mr O complains that Bank of Scotland plc trading as Halifax recorded a fraud marker about him with Cifas, a fraud prevention database, in connection with a mortgage application.

What happened

In 2024 Mr O applied to Halifax for a mortgage, through a broker. Halifax made a mortgage offer on 30 May and the mortgage was drawn down in June 2024.

In early 2025 Mr O applied for credit with a different lender. He says he experienced unexpected delays with the application, and then found out that Halifax had reported a Cifas marker against his name in January 2025, for “false application – false documentation” in connection with his mortgage.

Mr O made a complaint to Halifax. He wanted it to remove the Cifas marker and compensate him for the stress and financial and reputational damage he said he had suffered. He also wanted compensation to cover the money he had paid a company to support him with his complaint.

Halifax said it had sufficient grounds to apply the Cifas marker, so it wouldn't remove it. Following Mr O's referral to us, our Investigator didn't recommend that the complaint should be upheld. Mr O didn't accept that conclusion and asked for an Ombudsman's review.

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.

That includes all of Mr O's submissions and the arguments he has made about Halifax's failings. However, I'm not required to set out my findings about each of his points. My remit is to decide individual complaints by reference to what's fair and reasonable in all the circumstances. In doing so I've had regard to relevant law, regulatory rules and guidance, and good industry practice, and I'll give the reasons for my decision below.

Cifas members should only record markers on the Cifas database where they have clear, relevant and rigorous evidence to support a reasonable suspicion that a fraud has been committed or attempted. That's the necessary standard of evidence to record a marker. I've kept that in mind in considering whether Halifax acted fairly here.

Halifax carried out further checks on Mr O's application some months after his mortgage had completed. Those checks involved reviewing the underwriting checks it had done in 2024 on the documents Mr O had provided to support his application. These documents included Mr O's tax calculations and tax year overviews. Halifax tried to verify them, but it thought some of them had been altered. That's what it reported to Cifas.

I've looked very carefully at the documents Halifax received and its reasons for concluding that some of them had been altered. Having done so, I think that its conclusion was

reasonable. It has shown that some of the tax documents submitted to it to confirm Mr O's income appeared to have been altered from their original form and did not reflect his income and the tax he paid for the years they purported to show. It was also unable to verify Mr O's income through further enquiries. It therefore concluded that there were reasonable grounds to suspect that Mr O had misrepresented his financial position for the purpose of his mortgage application.

In the circumstances I think it was fair and reasonable for Halifax to have concluded that the standard for making a report to Cifas had been met. I'm satisfied that it had clear, relevant and rigorous evidence to show that an application for a mortgage relying on false information had been made. It didn't have to tell Mr O it was making the report or its reasons for doing so. It told him at the outset that it could share information with credit reference and fraud prevention agencies and that's something Mr O agreed to when he applied. It's also in the mortgage terms and conditions.

I also need to consider whether there are grounds for Halifax to remove the marker now. I don't think there are. After Mr O complained, Halifax has said that it asked him to provide further documents about his income in the period leading up to his mortgage application, in order that it could review its decision to report the marker to Cifas. Mr O didn't provide anything. Our Investigator also asked Mr O for these documents – specifically, his tax year overviews, tax calculations and relevant bank statements – during her investigation, but he wasn't prepared to provide them.

Mr O has said that he doesn't think he should be expected to provide evidence now, after Halifax applied a fraud marker without conducting further enquiries at the time. He has said that if Halifax thinks further documents are material to the reporting of the fraud marker, it should have asked for them before making the report. I understand the point Mr O is making, but without documents which I might reasonably expect him to have or be easily able to obtain, I think it would be difficult for me fairly to conclude that Halifax should remove a fraud marker which – as is the case here – I think it was reasonable in reporting.

Halifax only identified an issue after the mortgage had completed. It didn't therefore require Mr O to repay the mortgage in full. I think that was reasonable, given that asking Mr O to pay back all the money he borrowed is likely to have caused him some difficulty. But that doesn't mean it wasn't entitled to record the Cifas marker. I'm satisfied that it was, since Mr O had already received the benefit of the product he had applied for.

For the reasons I've explained, I think Halifax had reasonable grounds to record the Cifas marker and I don't consider that it would be fair for me to require it to remove it now.

Finally, while the application date of 30 May 2024 which Halifax recorded on the Cifas entry reflects the date on which the mortgage offer was issued rather than the date Mr O's application was made, I don't think that is material given that the marker expires six years from the date it was reported rather than six years from the application date entered. I've also noted what Mr O has said about the impact he considers the marker is having on him. The purpose of the Cifas database is to share information so that other financial firms know they might need to carry out extra checks in connection with other applications. But the presence of a report shouldn't be a reason for an automatic refusal of other applications; it should be a reason for carrying out more checks – that is Cifas's guidance to its members.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or

reject my decision before 17 March 2026.

Janet Millington
Ombudsman