

The complaint

Mr F has complained HSBC UK Bank plc lodged a fraud-related marker on the industry fraud database, CIFAS, in his name, and then provided inadequate compensation after they agreed to remove the marker.

What happened

Mr F opened an account with HSBC in February 2024. In August 2025 HSBC received a fraud report from another bank about a payment of £500 made into Mr F's HSBC account. They queried this with Mr F. He told them this was a payment from a friend. HSBC blocked Mr F's account and then took the decision to close his account.

HSBC was unconvinced by Mr F's testimony and believed they had sufficient evidence to lodge a CIFAS marker. This was lodged in September 2025.

Mr F discovered HSBC had lodged a CIFAS marker in his name. He complained to HSBC and was able to provide further testimony explaining why this credit was made to him. They felt there was enough doubt around their original decision which meant it was right to remove the marker. They offered Mr F £300 compensation for the trouble caused. This was accepted by Mr F and credited his account on 14 November.

Mr F brought his complaint to the ombudsman as he then felt this was inadequate. He felt compensation of a much higher figure was appropriate as he felt there'd been:

- Loss of access to banking and credit; and
- Emotional distress which caused a break in his familial relationships and reputational harm.

Our investigator agreed that HSBC's offer of compensation was right.

Still unhappy, Mr F has asked an ombudsman to consider his complaint.

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.”

HSBC must be able to provide clear evidence that an identified fraud was being committed,

and Mr F was involved. This means that they must have more than a suspicion or a concern that Mr F may be involved.

There's also a requirement that HSBC should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by HSBC. I can see the notification they received from a bank about the disputed payment made into Mr F's HSBC account.

I've also seen what Mr F told them when they first asked him about this payment. It's clear that this wasn't a completely truthful response. Mr F was subsequently able to tell HSBC a clearer version of what happened. This threw doubt on the fraudulent report that had been initiated and HSBC decided to remove the CIFAS marker and offer compensation to Mr F.

That said I can see why HSBC made the initial decision to lodge a CIFAS marker.

This means that the CIFAS marker remained on Mr F's record for a reasonably short period of time. According to the evidence less than one month.

I don't wish to dismiss Mr F's genuine concerns about the emotional impact this has had on him, and what that has meant for his employment and his relationship with his mother.

I've noted his well-argued testimony about the impact this has had. I have also considered the guidelines our service works to when considering monetary awards.

I'm satisfied that what has happened to Mr F suggests there has *been "considerable distress, upset and worry"*. I also think that as the CIFAS marker remained on Mr F's record for such a short period, the impact lasted only weeks rather than many months. I believe that an award at the low end of this bracket is reasonable.

I have noted Mr F accepted HSBC's payment of £300. I appreciate this is considerably less than Mr F believes his case merits, but I believe this is fair and reasonable. I won't be asking HSBC to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Mr F's complaint against HSBC UK Bank plc.

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

Sandra Quinn
Ombudsman