

The complaint

Mr B complains that Charter Court Financial Services Limited trading as Precise Mortgages made a report about him to fraud prevention databases in connection with a mortgage application.

What happened

In 2024 Mr B applied to Precise for a mortgage. It rejected the application and reported Mr B to fraud prevention databases.

Mr B complains about the reports. He says that they have had a significant impact on him and prevented him accessing further credit.

Precise said it had considered Mr B's application in line with its underwriting criteria. It had concerns about documents provided in support of his income. It was satisfied the standard for making a report had been met and it wouldn't agree to remove the markers. Mr B wasn't happy with that and brought his complaint to us. Our investigator didn't think it should be upheld so Mr B asked for an ombudsman to make a final decision.

On review, I agreed with the investigator. But I wanted to give the parties a chance to make further submissions before I make a final decision, so I issued a provisional decision setting out my thoughts on the case.

My provisional decision

I said:

"Fraud prevention databases play an important role in the financial services industry, allowing information to be shared to assist in the prevention and detection of fraud. But a report should only be made where a firm has clear evidence to justify doing so – because there are reasonable grounds to suspect fraud may have been committed or attempted. I've borne that in mind when thinking about this case.

Precise reviewed the information Mr B provided in support of his mortgage application. He's self-employed, so this included information about his tax affairs rather than payslips. Precise carried out its usual underwriting checks to try to independently verify the information it was given – there's nothing unusual about that, it's something I would expect most lenders to do as a matter of routine.

In this case, having carried out its usual checks, Precise was unable to independently verify Mr B's declared income. In addition to that, it had concerns about the supporting evidence he provided – in particular, that a print-out of his tax position wasn't in the format that would usually be expected.

In those circumstances, I think it was reasonable for Precise to be concerned about Mr B's application. It was unable to verify the income he'd declared, and it had concerns about the documentary evidence he'd provided in support of that

declaration. I think Precise acted reasonably in concluding that the standard for making a report had been met.

I've also thought about whether there's any new evidence, which wasn't available at the time, which might suggest that the markers should be removed now. But I'm not persuaded of that either. Although the further evidence Mr B has now provided supports the amount of the income he declared, it doesn't explain why it couldn't be verified at the time, or explain why the documentary evidence wasn't in the expected format.

For those reasons, I'm not currently planning to uphold this complaint."

Precise accepted my provisional decision. Mr B didn't agree with it. He said the fact that Precise was unable to verify his income didn't mean he was guilty of anything. That wasn't enough to justify a report. He said that the evidence he had provided was genuine and taken from the HMRC portal, and in standard format. I had said that the evidence he has now provided supports the income he had declared; if that was the case, why would he have needed to produce a fraudulent document? If asked, he could have provided further proof at the time. He said he felt he had been discriminated against and treated like a criminal.

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.

I'm afraid that I haven't changed my mind about the fair outcome to this complaint. I agree that Precise being unable to verify Mr B's income isn't enough, on its own, to justify making the report. But it was enough to expect Precise to review things further and see if there was any good reason why it couldn't verify his income. In this case, those further checks found inconsistencies between the documents Mr B submitted in support of his application and the usual format those documents would be expected to be in.

I've looked at those documents myself and I agree that they are, in some respects, inconsistent with what I'd expect. That means that Mr B had made a mortgage application and there were legitimate concerns about the veracity of the documents he'd provided to support his income – income which couldn't be independently verified. In those circumstances, I still think Precise acted fairly in making the report. I've thought carefully about what he's said, but I've not seen any evidence Precise made that decision on discriminatory or otherwise unfair grounds.

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 B to accept or reject my decision before 9 March 2026.

Simon Pugh
Ombudsman