

The complaint

Miss K complains that Barclays Bank UK PLC reported her to a fraud prevention database, CIFAS, in connection with a mortgage application.

What happened

In September 2024 a broker applied on Miss K's behalf for a mortgage with Barclays. Barclays considered the application and the supporting evidence provided with it. It was concerned that the bank statements supplied to show Miss K's income may have been altered. So it declined the mortgage application and made a report to CIFAS.

Miss K later discovered the marker and complained to Barclays. She said she had applied for the mortgage through a broker, had given the broker correct and accurate information, and hadn't provided false or altered documents.

Barclays said it had acted reasonably in applying the marker and wouldn't remove it, so Miss K brought her complaint to us.

I issued a provisional decision setting out my thoughts on the complaint. I said:

"The fraud prevention databases, such as CIFAS, play an important part in maintaining the integrity of the financial services system and helping to combat fraud. They allow firms to share information between them, allowing more detailed scrutiny of applications where appropriate. But because the consequences for an individual of being reported to a database can be serious, it's important that a report is only made where the standard for doing so has been met.

The standard for making a report is that the firm making it – Barclays, in this case – should have reasonable grounds to believe that fraud has been committed or attempted, supported by clear, relevant and rigorous evidence.

In September 2024 Barclays received a mortgage application. The application was submitted through its online channel by a mortgage broker firm I'll call B. B is an appointed representative of a regulated network of mortgage brokers. The application said that the mortgage was to be in the name of Miss K, and was for borrowing of £225,000 over a 30 year term to purchase a new property as a first-time buyer. The application said that B had verified Miss K's identity using her passport. It said that she earned around £38,600 from her main employment. It said she had a second job with a salary of around £23,000. A bank statement and payslips showing both salary payments were submitted in support of the application.

Barclays carried out its usual underwriting checks. It was unable to verify Miss K's income, and it had reason to suspect that the bank statement provided in support of the application had been altered. It therefore declined the application and made the report to CIFAS.

We asked Miss K's current account provider for a copy of her bank statement for the

relevant period. I've checked the statement provided to Barclays as part of the application against the genuine statement supplied by Miss K's bank. Having done so, I can see that the salary payment for her first job is included on the genuine statement, but the salary payment for the second job is not. And I can see that the account balances on the submitted statement are much higher than on the genuine statement. I'm therefore satisfied that the bank statement submitted in support of the application had been altered to misrepresent Miss K's actual financial situation at the time.

In the circumstances, I think it was reasonable for Barclays to have reported Miss K to CIFAS. It had received a mortgage application, submitted on her behalf by a regulated firm which said that it had verified her identity as the applicant. Its underwriting checks showed that false information about Miss K's circumstances had been submitted in support of the application. I'm satisfied Barclays made reasonable enquiries, following which it had clear, relevant and rigorous evidence giving it grounds for reasonable suspicion that Miss K had made a fraudulent mortgage application.

I've then gone on to think about what Miss K has said since she discovered the marker, both to Barclays and to us. I've thought about whether the further evidence and testimony means that the standard for making a report is no longer met and whether, as a result, the marker should be removed now.

Miss K says she doesn't know who B is, or who the named member of staff at B that dealt with Barclays is either. She says that she dealt with someone I'll call M, an individual she was introduced to by a friend and who she thought was a reputable mortgage broker.

Miss K said she told M about her financial situation and sent M her genuine bank statements. She dealt with M via WhatsApp messages. She's sent us screenshots of some of her messages to M, and screenshots of the statements she says she gave M. The screenshot of her current account statement matches the genuine one we obtained from her current account provider, not the altered one given to Barclays. She's also given us a screenshot of the first page of a mortgage illustration, which names M and gives the same network that B is a member of.

Miss K said that she'd given full and correct information to M. After she discovered the marker, she complained to M and M said that the documents had been altered by an employee without authorisation, and that employee had since been dismissed. M provided a letter for Miss K to pass on to Barclays confirming that. Miss K told us that she had no contact with the dismissed employee.

Miss K hasn't been able to provide us with all the WhatsApp messages with the broker, only the ones apparently showing her providing her bank statements and a few other messages. She says that a few days after she initially made her complaint to us, her phone suffered water damage and had to be replaced. So she no longer has access to the rest of her conversations with M.

The letter from M is on the headed notepaper of a different company. I've looked that company up, and it's a property development company not a mortgage broker. An individual with the same name as M was a director and person with significant control of this company. The company was placed into administration in 2024 and into liquidation very recently. Several of the other directors, though not M, give their addresses as the same address given for M on the mortgage illustration Miss K gave us, which does not appear to be an address associated with the regulated network

named on the illustration and which B is a part of.

But as far as Barclays was concerned, the application came from B not M. The £900 commission, payable if the application was successful, would therefore be paid to B not M.

I think it's likely Miss K did have dealings with M in relation to her mortgage, and did send M her genuine bank statements. It's unfortunate that she no longer has access to the full record of her dealings with M. I don't therefore know what was discussed before she sent the documents, or afterwards, or how her documents then reached B and were passed on to Barclays.

As I've said above, it was fair and reasonable for Barclays to have recorded the marker based on what it knew at the time of the application. In order to require it to be removed now, I would have to find that there are no longer grounds for reasonable suspicion that Miss K was party to the attempt to obtain a mortgage based on false evidence.

As things stand, I'm not persuaded I can fairly reach that conclusion. It's possible that Miss K was misled by M, who passed on her application to B for submission having amended her financial information without her knowledge first. I don't dismiss that possibility. But I also can't dismiss the possibility that Miss K was aware that the statements had been altered in order to show her finances in a more favourable light. Having considered all the evidence, I don't think I can safely say that there are no longer reasonable grounds for suspicion, or that the marker should now be removed."

Barclays said it had nothing further to add. Miss K confirmed she had received the provisional decision and wanted to send additional information, but she hasn't done so and the deadline has now expired.

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've also thought again about what I said in my provisional decision. But as neither party has made any further arguments, I haven't changed my mind.

My final decision

For the reasons given in my provisional decision, reproduced above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 28 April 2026.

Simon Pugh
Ombudsman