

## **complaint**

Miss M complains that Lloyds Bank Plc incorrectly registered adverse information about how she conducted her account. She also says Lloyds wrongly recorded her details on the Credit Industry Fraud Avoidance System (CIFAS). And didn't remove the CIFAS marker soon enough. She wants Lloyds to compensate her for the distress and inconvenience this caused.

## **background**

In 2012, Lloyds closed Miss M's account. Lloyds also recorded information with CIFAS which it later removed.

In 2015, Miss M contacted Lloyds to explain that she'd been the victim of a job scam in 2012. And she asked Lloyds to review the reason it closed her account. However, Lloyds didn't review the information provided by Miss M. And it didn't remove the CIFAS marker.

In May 2016, Miss M tried to open another bank account. But this was refused due to the CIFAS marker. So Miss M contacted Lloyds again and provided the paperwork she'd given Lloyds in 2015, to show she'd been the victim of a scam. Lloyds apologised and said it should've reviewed the matter in 2015 to find out what remained on CIFAS. And it confirmed that the CIFAS entry would be removed. The CIFAS marker was removed in June 2016.

Miss M says, because of this, she was unable to open bank accounts. And this has had a negative impact on her credit history, after credit checks were done which revealed the fraud indicator. She also says because she wasn't able to get a bank account for so long her career and education has suffered.

Lloyds apologised and paid Miss M £400 for the inconvenience it caused by not reviewing things properly in 2015. Miss M didn't accept this offer and feels Lloyds should do more to put things right.

An investigator looked into Miss M's complaint. He thought the offer of £400 was fair. Miss M disagreed. She says £400 isn't enough to reflect the amount of stress, anxiety and financial difficulties she suffered over the years. As no agreement has been reached the case has come to me to decide.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm sorry to hear of the difficulties Miss M's encountered. And, I can appreciate what a frustrating situation this was for Miss M.

There's no dispute Lloyds made an error here. It's rightly corrected Miss M's credit record. And again rightly it's offered to pay her compensation for the upset she's suffered. The issue I've to decide is whether Lloyds's done enough to deal with Miss M's complaint.

I've seen Miss M's response to the investigator's opinion that she'd like more compensation. Miss M has written comprehensively about the impact of the CIFAS marker being recorded and not being removed. And I note what Miss M says about how inconvenient and time

consuming it's been to sort this matter out and to not have a bank account since 2012 - when the marker was placed. Miss M's explained that in 2012 she wasn't capable to sort this out. And that this has been upsetting for her, including at times when she's been declined by other banks for an account.

I have great sympathy for Miss M. I don't doubt that the marker recorded by Lloyds has impacted on her greatly and the bank should pay compensation to her for not having removed it when it should have. Miss M has pointed out that she has been the victim of a scam and says Lloyds should never have applied the maker in the first place.

I've looked at whether Lloyds were right to apply the CIFAs marker. And I don't think Lloyds acted incorrectly in applying the CIFAS marker given the available evidence at the time - which was that Miss M's account was the recipient of fraudulent funds. So I don't uphold Miss M's complaint on this particular point.

Miss M didn't make Lloyds aware until 2015 that she'd been the victim of a scam, which resulted in the CIFAS marker being applied. So I can't reasonably say Lloyds should now pay her compensation for the negative implications of the adverse marker between 2012 and 2015. In short, if Miss M had acted in 2012, I consider it more likely than not that she would have avoided the impact on her of the marker, over the last few years, and therefore the bank can't fairly and reasonably be said to be liable, in the context of whether it should pay compensation, for the events over that time.

Lloyds should've reviewed the information Miss M gave it in 2015. And had it acted correctly the CIFAS marker would've been removed within 6 weeks. It's not in dispute that Lloyds didn't do this. So the CIFAS marker continued to impact Miss M.

We've asked Miss M how this affected her after she'd alerted Lloyds. But Miss M hasn't given us any evidence how this affected her on a day to day basis. And she hasn't explained how she's managed her finances without being able to open a bank account for so long. However, Miss M has provided evidence to show she was declined a bank account in 2016. And explained that it wasn't until this happened that she was told she should contact organisations, including CIFAS, and establish whether any adverse information was recorded and might affect her ability to have regular banking facilities.

Apart from being declined a bank account in 2016; I haven't seen any other evidence of how the CIFAS marker not being removed in 2015 impacted Miss M. Taking the matter as a whole, I think that the £400 Lloyds has offered Miss M is fair and reasonable. This reflects substantial impact of the matter on her, and the amount of time she was affected by the CIFAS entry. I feel this covers the impact for not being able to open an account in 2016.

It's now in Miss M's hands as to whether or not she accepts their offer of £400 compensation set out in the final response letter of 5 October 2016.

**my final decision**

My final decision is that Lloyds Bank Plc has made a fair offer to settle this complaint. So I'm not going to ask Lloyds to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 10 November 2017.

Sharon Kerrison  
**ombudsman**