

complaint

Mrs E complains about information Barclays Bank UK PLC (Barclays) recorded on her credit file which impacted her ability to obtain credit and financial products.

background

In 2016 Barclays made the decision to close Mrs E's accounts in line with their Terms and Conditions. They then applied a marker on the Credit Industry Fraud Avoidance System (CIFAS) against Mrs E.

Mrs E said she's made many applications to banks which were declined over the past three years. For example, Mrs E made an application to one lender which was initially accepted and then declined after fraud and credit checks were completed. Mrs E queried this with the lender and they told her to contact CIFAS.

Mrs E received information from CIFAS which showed the marker applied by Barclays. She complained to Barclays who investigated the matter. They concluded that the decision to close her accounts was correct but the CIFAS marker had been applied incorrectly. Barclays apologised for their error, removed the marker and offered £450 as compensation for the upset and inconvenience she had suffered.

Mrs E didn't believe the compensation was sufficient. She said she'd been barred from obtaining credit for three years and her credit file had been significantly impacted. She felt Barclays had been negligent in applying the marker. She believed they should have investigated the reasons behind her account closure in greater detail before applying the CIFAS marker.

One of our investigators considered what Mrs E had said. He thought there was no evidence of any direct financial losses and the compensation offered by Barclays was fair and reasonable.

Mrs E didn't accept our investigator's assessment, and asked that an ombudsman review things. She's said a minimum of £1,200 would be more appropriate compensation for the impact of Barclays' error.

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 realise this is likely to come as a disappointment to Mrs E but having considered this matter carefully, I've reached much the same conclusions as our investigator.

Barclays accepts they shouldn't have applied the marker so I'd expect it to take appropriate steps to put things right. I can see Barclays have apologised, arranged for the incorrect information it recorded to be removed and offered compensation for the upset and inconvenience she experienced. The compensation is also reflective of the length of time it took Barclays to investigate Mrs E's complaint.

I understand Mrs E doesn't think the compensation offered is sufficient. I appreciate Mrs E has been through a distressing experience. And I think it's understandable she's frustrated and disappointed with not being able to access credit or financial products for three years.

Mrs E has said she was unable to open any UK bank accounts despite making numerous applications. Mrs E has also said her business has been impacted by the decision and she's had to turn business away as she hasn't got a business account.

In order for me to consider increasing the compensation offered by Barclays, I'd need to see evidence of the impact the error has had on Mrs E. We've given Mrs E the opportunity to provide any further evidence to back up what she's said. Mrs E has provided us with a copy of her credit file showing a number of rejected applications for credit over the last twelve months.

Taking into account the evidence I've seen, I think the £450 offered by Barclays is reasonable. The marker has clearly impacted her ability to get credit, as shown by several rejected applications for credit cards and current accounts. However, I'm not persuaded she's been unable to access any banking facilities at all. I haven't seen any evidence of Mrs E being rejected for a basic bank account or that she's had to turn business away. I therefore can't fairly ask Barclays to pay Mrs E additional compensation – or do anything further in response to this complaint.

my final decision

My final decision is that Barclays Bank UK PLC should settle this complaint as they have already proposed to do, by paying Mrs E £450 compensation for the impact of their error.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 10 October 2019.

Marc Purnell
ombudsman