

complaint

Mr A complains that Telefonica UK Limited allowed someone to fraudulently open accounts in his name and set up direct debits. He says this has affected his credit rating.

background

Mr A says he was the victim of identity fraud in July 2017 when accounts were fraudulently opened by someone else. The accounts were opened when someone bought two mobile phones using Mr A's details and then set up direct debits to pay for the mobiles and the monthly plans.

Mr A says that when he applied for accounts with two other banks, both his applications were declined. He says his credit file is incorrect and he's missed out on a business opportunity.

Telefonica rejected this complaint. It says that as soon as Mr A told it what had happened, it identified this as *impersonation fraud*. It says it closed the accounts and arranged for any reference to the accounts to be removed from his credit file. And it says it recorded details of the fraud on the CIFAS fraud database.

Our adjudicator looked at this complaint and said that she thought it shouldn't be upheld. She said she thought Telefonica had correctly followed the process it needed to when it recorded that Mr A was the victim of identity theft. And she didn't think it had done anything wrong. And she explained that Telefonica were also a victim of this fraudulent activity, and she thought its offer of £50 was fair and reasonable.

Mr A disagreed so the complaint comes to me to decide. He says the information hasn't been removed from his credit file so our adjudicator asked him to provide further details.

my findings

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'm satisfied that our adjudicator reached the right conclusion when she said she wasn't going to uphold Mr A's complaint.

I understand that being a victim of identity theft will have been distressing enough for Mr A – it'll have been very worrying when he realised that some unknown person managed to successfully open mobile accounts in his name and then set up direct debits.

My role isn't to punish businesses for their performance or behaviour. It's to look at problems that a consumer may have experienced and, in this case, see if Telefonica has done anything wrong. If it has, we seek to put the consumer back in the position they would've been in if the mistakes hadn't happened. And we may award *modest* compensation that we think is fair and reasonable.

In this particular case I'm satisfied that Telefonica did what it needed to do once Mr A made it aware of what had happened. I can see that it closed the accounts that had been opened fraudulently, cancelled the direct debits and removed any trace of either account from Mr A's credit file. And it was right to record details of what had happened on the CIFAS fraud database. This protects consumers further; it tells other organisations that someone has

been the victim of impersonation fraud or identity theft. And this means that other banks will ask more questions to make sure that any application being made is genuine – it protects against further impersonation attempts.

I've considered whether Telefonica acted quickly enough because I appreciate this situation will have been worrying for Mr A. It took 16 days from the time Mr A first reported the matter to the day that Telefonica closed the accounts – and I don't think this is unreasonably long because it needed to fully investigate the situation first. Both Mr A and Telefonica were victims of the fraud, albeit in different ways, and I think that Telefonica's offer of £50 to Mr A is both fair and reasonable.

my final decision

My final decision is that Telefonica UK Limited must pay Mr A £50 to fairly settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 February 2018.

Andrew Macnamara
ombudsman