

complaint

Mr R complains that Lloyds Bank plc recorded a marker against his name with CIFAS, one of the UK's fraud alert services, after he told the bank that he didn't apply for a credit card. This has caused him lots of difficulties.

background

Mr R says that he spoke to his bank in February 2018 about a possible loan or increasing his credit card limit. He decided not to go ahead with either. A few days later he received a letter from Lloyds to confirm that a direct debit had been set up on his account for repayments to a credit card. He told Lloyds that he hadn't applied for the card. Lloyds then placed a CIFAS marker against his name. He says that this marker has caused him to have loans declined, transactions refused and it has stopped him getting car insurance.

Lloyds says that when Mr R told it that he didn't apply for a credit card, it immediately cancelled the account. The card hadn't been used. It also reported the application fraud to CIFAS and removed any reference to the card from Mr R's credit file. It has told Mr R that the marker with CIFAS is for his protection to alert other organisations that another person had tried to use Mr R's details. It accepts that it wrongly told Mr R that he wouldn't be able to apply for credit whilst the marker was recorded and has offered to pay £150 for the upset and inconvenience Mr R experienced because of this.

Our investigator thought Lloyds offer to pay £150 was fair and reasonable. He said that the CIFAS marker was to prevent Mr R's details from being used by a third party and not because Mr R had been accused of fraud.

Mr R didn't think £150 was enough. He said that Lloyds hadn't made the offer to him in writing and the CIFAS marker was having a detrimental affect on him.

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 can see Mr R feels very strongly about what's happened here. That's clear from what he's said to both us and Lloyds. And that's not surprising. It must be very upsetting to find you have been the victim of fraud by somebody impersonating you and trying to take out a credit card in your name. So Mr R is bound to be concerned.

But I'm afraid I have to tell Mr R that I agree with the investigator's view. As soon as Mr R told Lloyds that he hadn't applied for a credit card I find it took immediate action to put things right. It cancelled the card and removed the searches relating to the card from Mr R's credit record. So I'm satisfied that Mr R hasn't suffered any financial loss because of the card.

Lloyds also reported the impersonation to a fraud prevention agency. This action is taken to help prevent a third party trying to take out credit in Mr R's name again. The marker remains in place for 13 months. As the fraudulent application was in March 2018 the marker will now have been lifted.

Mr R considers that the marker has caused him a number of problems, including being declined for credit, insurance and having transactions refused. But I haven't seen any

evidence to support this. As I've said, the marker was simply there to protect Mr R and would not have any negative impact on his ability to get credit. Whilst I can't say why Mr R has experienced the problems he says he has had, I'm not persuaded that these relate to the CIFAS marker.

Lloyds has accepted that it made a mistake when it told Mr R that he wouldn't be able to apply for lending whilst the marker was there. I think it is more likely than not this was because there was some confusion about the type of marker applied to Mr R's name. But Lloyds has offered to pay Mr R £150 for the upset this caused him. Whilst Mr R says that Lloyds didn't make the offer to him in writing I see that it wrote to him in May 2019 to apologise for its mistake and offered £150.

Mr R has said that Lloyds told him the marker would only be against his name for two months. I have seen from a letter that Lloyds sent to Mr R in June 2019 that it told Mr R that it would remove the credit searches from his credit file and this would take up to 60 days (which is about 2 months). It also said that his name would be linked to CIFAS for 13 months. So I don't consider that Lloyds has made any mistake here.

I accept that Lloyds did cause upset to Mr R and some inconvenience by giving him wrong information. It has already offered to pay him £150 for this. Having carefully considered everything that has happened, I'm satisfied that this is fair and reasonable. I simply leave it to Mr R to decide whether, upon reflection, he now would like to accept the offer and to let Lloyds know directly.

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 R to accept or reject my decision before 20 March 2020.

Karen Wharton
ombudsman