

## **complaint**

Mr H has complained Santander UK plc's delay in removing a fraud-related marker from his record resulted in substantial financial loss.

## **background**

In March 2019 Mr H discovered there'd been a fraud-related marker placed on his record. This had resulted in him being turned down for refinancing of a commercial mortgage. He complained to Santander once he'd discovered how and why the marker had been placed on his record.

Santander refused to remove it despite Mr H showing there'd been an error behind their original reason for lodging it in the first place. Mr H was upset with this and brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. This included what had been given to us by the company (who I'll call S) that had turned down Mr H's refinancing. She didn't think it was clear that the CIFAS marker was the only reason Mr H's refinance application was turned down. In the meantime she'd got Santander to remove the marker and they'd offered £300 for the inconvenience caused which she thought was fair.

Mr H didn't think this was enough or took account of what had happened. He felt £2,000 would be a fairer amount. As no resolution could be agreed, his complaint has been referred to an ombudsman for decision.

## **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've reached the same conclusion as our investigator and for roughly similar reasons. I'll explain why.

There are two main aspects of this complaint and I'll consider both.

*was Santander wrong in not removing the CIFAS marker?*

Mr H had originally applied for a personal loan with Santander three years ago. This application was rejected and he thought nothing more of it.

As it turned out Santander thought Mr H had misled them in not being truthful in his loan application. He'd not mentioned information they'd discovered whilst doing a credit check. Santander lodged a marker on Mr H's record as they felt he'd misled them and committed application fraud.

Mr H only found out in March 2019, after S had rejected his application to refinance, that there was a CIFAS marker against him. He wrote to Santander immediately to show the information they'd found out about him was the result of an error. He was able to evidence this by court documents. He'd not deliberately attempted to mislead Santander.

There's no dispute that Santander acted on what was available to them in January 2017 when they first lodged the information about Mr H. So I don't believe any fault lies with them

for lodging the original marker. As it is, Mr H didn't discover this existed for more than two years so for most of that period I can't see there was any real impact.

But when Mr H first approached Santander – by recorded delivery and then by phone – I'm not sure why Santander thought it shouldn't remove the marker. I've reviewed the evidence Mr H shared with Santander. It's clear to me the information on his original credit record was a mistake which wasn't of his making. The information Mr H shared shows this issue has now been resolved.

I'm aware as Mr H never ended up being a customer of Santander, the information they hold about him is limited and this will have caused them some difficulties in resolving this. To be fair as soon as we made Santander aware of the problems the marker was causing Mr H, they agreed to remove it. This was done in early September 2019. But I believe they should have done this when Mr H first approached them. So it's fair that Santander pay Mr H for the problems caused. This leads me to the next issue and whether Mr H suffered any financial loss.

*what financial loss was caused by this CIFAS marker?*

Mr H was under financial pressure and was looking to refinance his business mortgage. He was turned down by S in March 2019. He was told this was because of information held about Mr H by either credit reference agencies or CIFAS. So we asked S about this.

It's certainly true that the CIFAS marker showed up in S's searches and because of this information they rejected his application. If this marker hadn't shown up in searches, S has confirmed they still would not have continued with the application. This is because of the nature of the borrowing Mr H was looking for. I'm not going to disagree with the information S has given us. I have no choice to say there's no significant financial loss here.

I'd also make a further observation. We've been given information about how much Mr H would have saved if he'd borrowed with S rather than his existing lender. But I can see this is a different type of lending. This would have involved moving to an interest-only loan. Whilst Mr H may have saved money in having a mortgage with S as his monthly payments would have been much lower, this isn't directly comparable to his existing borrowing. He'd have been giving up any gain in equity in return.

Santander has offered £300 for the inconvenience of a marker being on Mr H's record for the period of six months in 2019 when he was aware of this. Overall I think this is a fair offer.

### **my final decision**

For the reasons I've given, my final decision is to instruct Santander UK plc to pay Mr H £300 for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 February 2020.

Sandra Quinn  
**ombudsman**