

## **complaint**

Mr A is unhappy HSBC Bank Plc closed his account after an internal review and placed a Credit Industry Fraud Avoidance (CIFAS) marker against his name. This has caused him difficulty in opening other accounts, and he has suffered financial difficulty because he hasn't had access to his money.

## **background**

Mr A opened a premier account with HSBC in June 2017. He provided the bank with two forms of identification when he opened the account – his driving licence and a bill from a utility company.

A few weeks later, Mr A applied to open a business account with HSBC. As part of their internal process, HSBC reviewed all of Mr A's previous applications – including the one for his premier account, and blocked his account as they weren't satisfied with the utility bill identification he'd provided.

Mr A supplied them with an alternative form of identification – and they unblocked his account. However, a couple of weeks later, they blocked it again and decided to close his accounts altogether. They sent him a cheque for the money he held in his HSBC account.

Mr A tried to open an account with another bank – but it was declined. He later found out HSBC had recorded a CIFAS marker against him because of their concerns with the utility bill he'd provided them.

Mr A got in touch with the utility company and they provided him with a letter confirming they'd made an error. Mr A sent this to HSBC in the hope they'd remove the CIFAS marker. But HSBC were satisfied it was recorded correctly. Mr A suffered financial difficulties, and distress and inconvenience because he wasn't able to open an account elsewhere which meant he didn't have access to any money.

The investigator who looked at Mr A's complaint was satisfied that based on the information she'd seen, HSBC followed the correct process when recording the information with CIFAS. She also investigated Mr A's history with the utility company, and said as he'd never been a customer of theirs, he shouldn't have used the letter from them as a form of identification.

Mr A didn't agree. He said at the time he applied for the premier account, he thought he was a customer of the utility company – which is why he used the documentation. And because he's provided evidence that the utility company made an error, HSBC should remove the marker. The investigator's opinion didn't change and Mr A asked for an ombudsman to review things.

I spoke to Mr A about his concerns. He says he agrees with the investigator that it was reasonable of HSBC to register the marker at the time they did because of the information they had available to them. But he feels the marker should now be removed because the utility company has confirmed it made an error. Mr A said he doesn't want compensation – he wants the marker removed because of the effect this is having on his life.

## 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 know this is an important issue for Mr A and one he really wants resolved, but I agree with the investigator's opinion and for similar reasons. I'll explain why below.

Firstly, I'm sorry to hear of the difficulties Mr A has encountered. And, I can appreciate what a frustrating situation this has been for him, as it's been going on for a long time, and he hasn't had access to his money. But it's my role to decide whether, in the circumstances of the complaint, HSBC have acted fairly.

Mr A provided HSBC with a utility bill to prove his identification when opening an account. During a review, HSBC couldn't verify the documentation Mr A used and had concerns over its validity. Mr A provided additional documentation to confirm his identity which HSBC accepted. But the validity of the utility bill still remained.

Based on the information I've seen, I'm aware that Mr A isn't, and never has been, a customer of the utility company. I appreciate at the time Mr A opened the account, he believed he was a customer of the utility company – he says he asked them to transfer an old account previously registered to somebody else into his name. But Mr A has also said he used to receive telephone calls from the company and they always asked for a female who he didn't know. While I appreciate Mr A has since provided HSBC with a letter from the utility company the fact remains that Mr A isn't (and wasn't) a customer of theirs, so it's reasonable that the identification validity remained a concern for HSBC.

Overall, I agree with the investigator that it's more likely than not, Mr A knew he wasn't a genuine customer of the utility company – and therefore, he shouldn't have used this particular documentation to confirm his identity. I also appreciate Mr A has said he only took that utility bill because "*it was on the kitchen table*" – and HSBC initially told him he only had to supply his driving licence. But ultimately, Mr A decided to use that particular utility bill to confirm his identity – and therefore, I find HSBC have been reasonable in their actions to question the validity and ultimately decide to end their relationship with Mr A.

But the issue which remains is whether HSBC acted correctly in applying the CIFAS marker given the available evidence. Given that Mr A used a letter from a company where he wasn't a customer as a form of identification to open a bank account; I find it reasonable that HSBC had enough reason to record a CIFAS marker against him.

I appreciate Mr A thinks the marker should now be removed because the utility company confirmed it made an error with linking the account number to Mr A in the letter Mr A supplied HSBC with. But as I've explained, Mr A shouldn't have used a letter to confirm his identity from a company where he wasn't actually a customer. So while I appreciate his feelings about this, I can't fairly ask HSBC to remove the marker based on the information I've seen.

I appreciate that my decision will come as a great frustration and disappointment to Mr A. But, for the reasons I've explained, I don't uphold this complaint.

**my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 March 2018.

Hayley West  
**ombudsman**