

complaint

Mrs D complains that Virgin Money Plc (Virgin) incorrectly placed fraud prevention markers on her account, and that this has caused her distress and inconvenience.

background

In September 2018 Mrs D applied for a Virgin credit card account. Her application was granted, and her identification documents were submitted. But while waiting for her account to be activated she became aware that it had been closed and a CIFAS marker had been placed on it.

CIFAS is a fraud prevention organisation, and its markers are there to inform other lenders.

It transpired that the reason the account was so quickly closed was that a third party, claiming to be Mrs D, said that her personal details had been fraudulently used to open the account.

Mrs D (who made the complaint to this service) complained to Virgin, and after some investigation the original protective CIFAS marker was removed, but replaced with another one saying Mrs D had been impersonated.

Mrs D wants all markers removed from her account, as well as compensation for the distress she suffered when this happened, which she says was at a time when her daughter was sick.

The complaint came to our service. Our investigator agreed that Virgin was right to do what it had done originally when it became concerned about the security of the account, but now that the matter had been investigated it should remove any remaining CIFAS markers, as well as paying her £250 compensation, and reimbursing her for any other losses she could substantiate.

As far as I can see, while Mrs D said she incurred around £300 in interest/charges on another account, this hasn't been proven. So I'm unable to add this to her settlement sum.

Mrs D accepted the removal of the CIFAS markers and offer of £250, but Virgin didn't agree. It sent further search information in support of its position. But our investigator didn't think this changed matters, and still believed there was insufficient evidence for Virgin to continue to rely on the CIFAS marker. Virgin asked for an ombudsman's 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'm happy with our investigator's decision to uphold the complaint, and also the sum of £250 compensation that's been recommended to Mrs D.

I agree that Virgin was correct to respond to its security concerns when the account was being opened, and don't criticise it for closing it. That was its' right to do. However, in relation to the CIFAS markers, their impact on a consumer is significant. And this is rightly so. But this means a high bar needs to be met evidentially before they should be applied. While I

can see why Virgin has concerns in this case, and there's clearly something odd going on, knowing all the information we do now, I still don't believe that bar's been reached. It needs to be more than a suspicion or concern. As a result, I think Mrs D's been unfairly prejudiced by the marker that's on her file.

I won't go into the full details of the evidence here, as that's been done in our investigator's two views. But I will say it's quite persuasive that despite an impersonation marker being applied, there's no connected police report for a loss of passport/ID. I'd expect to see that at the very least to show Virgin's genuine belief that there's been criminal activity.

Overall, for the CIFAS marker to remain in place, Virgin and I would have to be satisfied that Mrs D was guilty of potentially criminal activity. And I'm not persuaded by the evidence that we can say she was. Further, because the account was closed so promptly, Virgin sustained no financial loss. Which is another condition to justify the application of a CIFAS marker.

As such, I think the remaining CIFAS marker/s should be removed, and Virgin should pay Mrs D £250 in compensation.

my final decision

My final decision is that I uphold this complaint. In order to resolve matters, I'm asking Virgin Money Plc to:-

- Remove any remaining CIFAS marker/s from Mrs D's account; and
- Pay Mrs D £250 in compensation.

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

Ashley L B More
ombudsman