

complaint

This complaint is about what happened when Mr D made a mortgage application to Santander UK Plc.

Santander recorded a fraud indicator (which it later removed). But Mr D's borrowing application was declined and he holds Santander responsible for five figure losses he's suffered as a result of the application not succeeding. And Mr D feels his character has been defamed.

Santander offered to pay Mr D a goodwill payment of £750. But to resolve this complaint Mr D feels Santander should do more to put things right. Now the fraud marker has been removed, Mr D wants a determination that he hasn't committed any criminal offence. Plus he's looking for substantial compensation to cover his estimated financial losses and legal costs.

background

When he complained, Santander said it recorded adverse information on CIFAS (The UK Fraud Prevention Service) in respect of Mr D's Santander mortgage application. Santander felt that decision was correct at the time as there was a mismatch between information Mr D gave about his job and what Santander's checks turned up.

Upon review of additional information from Mr D, the CIFAS recording was removed. In recognition of the distress and inconvenience caused as a result of this matter, Santander offered to pay Mr D £750 – which he declined.

Mr D asked us to look into his complaint.

Our adjudicator didn't recommend upholding the complaint on the basis that Santander's offer was fair in all the circumstances.

Mr D disagrees and he's asked for an ombudsman review. So this complaint has been passed to me.

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 appreciate what a frustrating situation this is from Mr D's point of view. But I agree with the adjudicator that Santander has already done enough to compensate Mr D fairly.

I'll explain my reasons for saying this.

We offer an informal dispute resolution service. The ombudsman can't issue the 'determination' Mr D has asked for that says he hasn't committed a criminal offence. But I hope it'll be clear from my decision that there's no information to suggest that Mr D did anything wrong. Banks record information on CIFAS in order to minimise the risk of fraud – often this can happen when, as in this case, the information from a customer doesn't exactly match details recorded elsewhere.

Santander said the reason it reported adverse information to CIFAS about Mr D was that Mr D's employer hadn't ensured relevant amendments had been made in relation to his employment status. So I don't find that Santander acted wrongly or unreasonably when it did this. And when it was satisfied with further information Mr D provided, Santander removed the CIFAS record – which I agree was the fair thing to do in these circumstances. I hope Mr D feels able to accept that no-one is suggesting he's been involved in actual crime.

Mr D wants Santander to compensate him for the losses he incurred as a result of his borrowing application to Santander not being successful.

But I can't fairly say that Santander would've *definitely* approved Mr D's borrowing application but for the adverse CIFAS information. It's clear that there was an issue around Mr D's employment details/job title/company role. For these reasons, I agree with the adjudicator when he said we can't safely conclude that the application would've been certain to succeed.

Part of Mr D's loss is due to stamp duty rules changing around this time. Mr D had applied at the same time to another lender for other commercial borrowing. But that too was declined as a result of the CIFAS information. So he missed the deadline for avoiding the new higher duty rate. The timing was unfortunate. But I think our adjudicator was right to say that the timescale for these applications was always tight – there was a matter of weeks only left between the applications being made and the new rules taking effect. I don't find it'd be fair to hold Santander responsible for any losses arising from this.

Mr D incurred some legal costs for seeking advice about the CIFAS marker and he'd like Santander to reimburse these. But Santander isn't responsible for Mr D's legal costs in this situation and I can't fairly require it to pay these.

I've taken into account the £750 Santander has already offered to pay Mr D. I understand how strongly Mr D feels about what's happened. But I consider Santander has offered this payment as a gesture of goodwill in a genuine attempt to settle Mr D's complaint in a way that recognises the part it played in what's happened, even if it didn't do anything wrong. I hope that setting things out as I've done will help Mr D come to a final decision on whether to accept Santander's offer.

my final decision

For these reasons, I don't uphold this complaint. I simply leave it up to Mr D to decide if he wants to accept the offer made by Santander UK Plc in its final response letter sent to him in June 2016.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 12 October 2016.

Susan Webb
ombudsman