

complaint

Mr V complains that Bank of Ireland (UK) Plc (BoI) made an entry about him on a fraud prevention database when it rejected a mortgage application he'd made.

background

Mr V spoke with a broker about arranging a mortgage as a first time buyer. I'll call the broker's firm S.

BoI received an application for a mortgage from S in June 2017, which it declined. It said it would re-consider the application if it received further information. Mr V submitted some of this information, via S, but the application was ultimately marked as not continuing in July 2017.

In August 2017, Mr V made a mortgage application directly with BoI, as he says S told him to approach them directly. BoI declined the application.

Some time later, Mr V found that BoI had recorded an entry on CIFAS, a fraud prevention database, about him.

Mr V complained to BoI, who said it thought the marker had been added fairly. Our investigator didn't think BoI acted unfairly, so Mr V asked for an ombudsman to review the complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In this decision I am only considering whether BoI acted fairly and reasonably in adding an entry to CIFAS. I am not considering the actions of S here. I understand that our investigator has discussed this with Mr V and explained he can raise a separate complaint with S if he wishes.

Like all lenders, BoI considers information and evidence it receives in respect of a mortgage application. It carries out its standard underwriting checks to try to confirm the accuracy of what it's told and to decide whether it wants to lend. It's important to note that there's no obligation to lend – and there's no obligation to give reasons for a refusal either.

BoI says it recorded the entry on CIFAS because in the second application Mr V made directly with BoI he said he'd never had a mortgage application declined. But it had previously declined the application he'd made through S, a short time before – it felt he knew that, should have declared it and therefore hadn't completed the application accurately

Mr V says that S never informed him that BoI declined the mortgage application. I've taken into account everything Mr V has told us about his interactions with S. I have also been provided with an email from S to Mr V which told him the first application had been declined, though BoI would reconsider it if he supplied further documentation about his income. Mr V now says the first application was declined because S didn't include income from his second job, which he gave it to pass on, so he thought the application was still under consideration and he needed to talk to BoI about it.

I've looked at both applications. The second job is included in the first one. I've seen emails from S advising Mr V that the first application was declined, and telling him what further information would be needed to overturn the decline. S says Mr V didn't provide that information and I haven't seen evidence to suggest otherwise. The second application was made a couple of months later.

When making a referral to CIFAS, Bol has to have reasonable grounds to do so. I think it had reasonable grounds to suspect that Mr V had given misleading information in support of an application. Based on what it knew at the time, I don't think that was an unfair conclusion. And based on the evidence I've seen since, I'm not persuaded that Mr V was unaware the first application had been declined. So, I can't say it acted unreasonably in recording an entry on CIFAS and I can't reasonably ask it to remove the entry now.

my final decision

For the reasons I've given, 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 V to accept or reject my decision before 22 December 2019.

Simon Pugh
ombudsman