

complaint

Mr S complains that Clydesdale Bank Plc (Clydesdale) has unfairly recorded negative information about him on industry databases.

background

I issued a provisional decision on this complaint in January. In that I said I wasn't intending to uphold Mr S's complaint, because I thought Clydesdale had put right a mistake it had made and paid sufficient compensation for the problems this had caused.

I thought other than that Clydesdale was correct to record information about Mr S on an industry database reflecting inconsistent information provided by customers.

my findings

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

Clydesdale has accepted my provisional decision.

Mr S doesn't think it's a fair resolution to his problems.

Mr S says the second database *is* used for fraud prevention, and it's unfair to label him as making potentially fraudulent applications simply because he legitimately lives at two addresses. I do appreciate this point of view. And I agree the relevant website suggests the database is used to help prevent fraud by flagging up inconsistent information, which might indicate a potential problem. But it doesn't say it's a register of *known* fraudulent activity, as CIFAS is.

This also doesn't affect the fact that Clydesdale has correctly recorded that Mr S is using two different addresses when making applications for financial products. So I can't say it's done something wrong. And I must accept that Clydesdale uses this database as a means of spotting (or alerting other businesses to) inconsistencies that need further clarification, not that it assumes anybody with an entry is making a fraudulent application. I'm afraid I can't comment on how other businesses interpret the information as that's not part of this decision.

Mr S did tell us about an account he applied for elsewhere. I asked him to tell me more about that, to see if he's suffered a loss because of the information Clydesdale put on CIFAS in error. Mr S doesn't believe that's the case, as he believes his application was rejected because of the information on the second database. I've already said I think this database reflects the right information about Mr S, so I don't think this affects my decision. Mr S might be able to bring a complaint about his application being refused to the other business, and he's free to do that if he so wishes.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 April 2019.

Sue Peters
ombudsman

Copy of Provisional Decision

complaint

Mr S complains that Clydesdale Bank Plc (Clydesdale) has unfairly recorded negative information about him on industry databases.

background

Mr S applied to open an account with Clydesdale. Clydesdale said it didn't want to do that.

Mr S says although he accepts that Clydesdale can say no to such a request, it's now recorded incorrect and unfair information about him on two industry databases – CIFAS, which is a fraud prevention register and another where entries about inconsistent information are recorded.

Mr S says this is because he lives at two different addresses, quite legitimately, as he owns both. So it's normal for him to have banking and other facilities registered at different addresses.

When Mr S complained about this Clydesdale said it had wrongly recorded the CIFAS entry and would remove it. It said the other database simply flags up inconsistencies – and using two addresses is reason enough to record an inconsistency. It says this database only, in effect, warns other businesses of the inconsistency and it's then up to other businesses to verify information as they wish. It offered Mr S £100 for the mistakes it had made. Mr S was unhappy about this and brought his complaint to this service.

Our investigator thought his complaint should be upheld. He didn't think either marker should be recorded, as Mr S had shown us that he was receiving mail from other financial businesses at both addresses when he applied for his account at Clydesdale. He also suggested the compensation offered should be increased to £150.

Clydesdale disagrees and has re-stated its reasons for keeping the inconsistencies marker.

my provisional findings

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

Mr S has explained why he uses two addresses, and given us paperwork that shows he has bank accounts registered at each address. I don't doubt his reasons for why this is so. I can see that Clydesdale has removed the information it recorded on the fraud prevention register, and offered to pay £100 for the mistake it made. It seems from Clydesdale's notes that the marker was present for about a month – so I think the £100 it offered as compensation for this error is a fair amount.

I've also thought about the information Clydesdale has recorded on the other database. I've seen the entry and it shows three addresses for Mr S. Two – the ones he's told us about – are marked as "inconsistent" and the other – which might be a previous address – is marked "clear".

The bank has also sent us the notes it made at the time about Mr S's application. They say the bank was content that the application Mr S made for an account was genuine – and that it checked his passport and utility bills to support that.

The notes also say Mr S explained he was using his parents address, and go on to say that

he's also lived at another address for several years. The bank thinks that's enough to record inconsistencies on the second database. And, as Clydesdale has said, the purpose of flagging these inconsistencies is simply so that other businesses make sure they get and check the full information about a prospective customer before giving them banking or credit facilities. It's important banks do this for legal and regulatory reasons. The purposes of the fraud prevention register and other database are connected, but different. So it's reasonable that the outcome – as far as this complaint is concerned – might be different.

I've thought carefully about what Clydesdale has recorded on the database. I'm satisfied that the information Clydesdale has submitted reflects the fact that Mr S uses two addresses and doesn't suggest that this is fraudulent in any way. In fact it only reflects what Mr S has told us are his living arrangements. So I don't currently think Clydesdale has done anything wrong.

Based on the above information, I'm not intending to ask Clydesdale to change the information it submitted to the other database or pay the additional compensation our investigator recommended.

Mr S has said the information is causing him problems with other banks/providers of finance. I haven't seen any evidence of that, or that other banks etc might be refusing Mr S's applications solely because of the information shown on the other database and without carrying out further checks. If Mr S believes another bank (or other provider) has done that, he might be able to complain about this to the business concerned.

my provisional decision

I'm not intending to uphold this complaint.

Sue Peters
ombudsman