

## **complaint**

Mrs I is unhappy Bank of Scotland Plc (trading as Halifax) added a fraud marker against her name after it withdrew a mortgage offer it had made.

## **background**

Last year Mrs I applied for a mortgage with Halifax through a broker. There were a number of problems during the application process (which she's complained separately to the broker about). Halifax offered a mortgage but subsequently withdrew this because it had concerns over the information Mrs I provided about her income. In particular she'd included a test pay slip in support of her application showing what her salary would be if she got a pay rise.

Mrs I later found that Halifax had reported information about this to the Credit Industry Fraud Avoidance Scheme ("CIFAS") - a database containing information from lenders to prevent fraud. She complained to Halifax about this. But it didn't agree the CIFAS record should be removed as it felt it had sufficient grounds to apply this marker.

Our investigator said she thought Halifax had acted fairly in withdrawing the mortgage offer and recording the information with CIFAS. Mrs I didn't agree. She said the issues that had arisen here were the fault of her previous accountant and her broker. So I need to reach a final 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.

As a lender, Halifax is entitled to look into the circumstances of customers who wish to borrow from it – as it did here. If, during these checks, it discovers there are inconsistencies that it has concerns about, it's entitled to decline applications for borrowing.

And Halifax's concerns about the information it was provided in relation to Mrs I's income meant it withdrew the offer it had made. But because of the nature of these inconsistencies, it also reported this information to CIFAS. Halifax is a member of this particular anti-fraud scheme, where it will record information with this agency in these circumstances.

I've considered the concerns Halifax had with the mortgage application and the issues it found with Mrs I's income. It's agreed a test pay slip was provided in support of her application which didn't record her actual income but what it would be if she received a pay rise.

Mrs I says the fault lies with her accountant who produced the pay slip and her broker who didn't check this information. I understand that argument but it doesn't alter the fact that Halifax received this information as part of an application that Mrs I herself made from parties that were acting for her to assist with this process. And it then had a duty to consider the information from these parties and report any inconsistencies such as the ones it found to CIFAS. I haven't seen anything from Mrs I or Halifax which makes me think it's done so unfairly, or in error.

I know this information will be available to future lenders and I understand Mrs I's concerns about this as it could impact on their lending decisions (although ultimately that will be a judgement for them to make). But where I'm satisfied Halifax was entitled to record information and it's done so correctly, I can't ask it to change or remove what's recorded with CIFAS. I think that's the case here. And I'm satisfied Halifax acted reasonably when declining the mortgage and in recording the information it did with CIFAS.

**my final decision**

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 30 June 2018.

James Park  
**ombudsman**