

complaint

Mr A complains that National Westminster Bank Plc has added a fraud marker against his name based on incorrect information.

background

In 2013 Mr A applied for a mortgage with NatWest through a broker. NatWest declined the application and Mr A eventually applied successfully through another lender.

This year, Mr A applied for further borrowing through another business. This business declined his application and explained that if he wanted to know why this was, then he should contact the Credit Industry Fraud Avoidance Scheme ("CIFAS") - a database containing information from lenders to prevent fraud.

Mr A did this and found that NatWest had recorded information about his employment status on CIFAS back when he'd applied for the mortgage in 2013.

He complained to NatWest and said he didn't think this was correct. But NatWest didn't uphold Mr A's complaint. It explained that it wouldn't be removing the information it had recorded because it didn't believe that it had made a mistake in doing so.

Mr A brought his complaint to this service. Our investigator didn't think NatWest had acted unfairly. Mr A disagreed, so the complaint was passed to me to reach a final decision on.

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 won't be upholding Mr A's complaint. I'll explain why.

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

NatWest's concerns about the information it was provided in regards to Mr A's employment status meant that it declined his application. But because of the nature of these inconsistencies, it also reported this information to CIFAS. NatWest 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 NatWest had with the mortgage application, particularly the issues it noted about Mr A's employment status. I'm satisfied Halifax acted reasonably when declining the mortgage and in recording the information when it did with CIFAS.

Mr A has said that this information was provided by a broker and that he can't find out what this broker disclosed. So he thinks it's unfair that NatWest has recorded this information when he didn't provide it himself. I can understand Mr A's point here, but it remains that this information was passed to NatWest and related to him. NatWest then had a duty to consider this and report inconsistencies such as the ones it noticed here to CIFAS. I haven't seen anything from Mr A or NatWest which makes me think it's done so unfairly, or in error.

It's clear that this is having an impact on Mr A and that he's frustrated with the situation. He's told us that it's had an impact on the interest rates on existing borrowing he's got, along with making further applications difficult too. But where I'm satisfied NatWest is entitled to record the information it has and that it's done so correctly, I can't ask it to change or remove what it's recorded with CIFAS.

my final decision

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 A to accept or reject my decision before 11 August 2017.

James Staples
ombudsman