

complaint

This complaint's about a security marker that Santander UK Plc recorded against Miss H following an unsuccessful mortgage application. This led to Miss H's current accounts being frozen. Additionally, Miss H says she's lost income through missed opportunities to apply for jobs in her profession.

background

In the spring of 2015, Miss H applied, jointly with her sister, for a mortgage with Santander. The application was refused, as Santander wasn't satisfied with the information Miss H had provided about her income. The bank also placed stops on two current accounts Miss H held with it. When she complained, Santander didn't uphold the complaint but it paid her £100 compensation for poor service and communication.

Miss H complained again towards the end of 2015, after discovering that Santander had placed a marker with the Credit Industry Fraud Avoidance System ('CIFAS'). The marker originated from the mortgage application, and reported that Miss H's income couldn't be verified.

She complained again, saying that she'd been unable to apply for jobs in her profession knowing that the marker would be discovered if a potential employer did a credit search. Santander told her the marker was the result of information it had received from a third party, but didn't say who the third party was. In March of this year, Santander agreed to remove the marker, following receipt of new information from the third party, and offered Miss H a further £250 for her time and trouble. Miss H didn't accept the offer and complained to us.

Whilst the case has been with us, Santander has offered to pay Miss H a further £150, making a total proposed settlement of £500. Our adjudicator thought that was fair in the circumstances, but Miss H doesn't agree.

my findings

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

The outcome of this complaint turns on one question: was Santander justified in placing the CIFAS marker? Miss H is understandably unhappy and frustrated at not being told who the third party is, and what information it gave Santander that caused the bank to place the marker. The bank has provided us with that information, but in confidence.

Our rules permit this; it's then for me to decide whether it's fair to rely on evidence that only one party has seen. The information (and its source) is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Santander has treated Miss H fairly. So I'm persuaded I should take it into account when deciding the outcome of the complaint.

That's what I've done, and the conclusion I've reached is that recording the marker was a reasonable response to the information received from the third party. It wasn't something Santander *had* to do; it was matter for the bank's judgement whether it recorded the marker or not. But I'm satisfied Santander didn't act unfairly when it exercised its judgement in the

way it did. The decision to remove the marker wasn't prompted by new information from Miss H. It was prompted by new information from the third party.

To the extent that I don't think Santander's done anything wrong, I don't need to consider Miss H's claim for consequential loss. She has been put to a lot of trouble, and Santander accepts it could have dealt with matters more quickly than it did. But in all the circumstances, I think the total compensation of £500 is fair. I wouldn't award more.

my final decision

My final decision is that I uphold this complaint in part only. In full and final settlement, I direct Santander UK Plc to pay Miss £400, making £500 in all. I make no other order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 1 December 2016.

Jeff Parrington
ombudsman