

complaint

This complaint is about a CIFAS marker placed against Mrs S following a mortgage application that she and Mr S made to Bank of Scotland plc trading as Halifax in 2013. Mrs S says it caused her to lose a new job because the employer found the CIFAS marker after she'd started working. She wants the marker removed and compensation for loss of earnings.

Although the complaint is about a CIFAS marker recorded solely against Mrs S, it arises from a joint application she made with Mr S. Mr S is aware of the complaint and has joined her in bringing it to us.

background

Mrs and Mr S applied for a joint mortgage with Halifax in 2013. At the time, Mrs S worked as a mortgage broker for a firm I'll call SQ. Halifax refused to lend to Mrs and Mr S jointly due to some concerns it had over Mrs S' credit history; the application was resubmitted in Mr S' sole name, with Mrs S acting as introducing broker, and went through.

In 2017, Mrs S applied for a new job as a mortgage advisor with a business I'll call L. In August 2017, L offered Mrs S the job, so she resigned from her role with SQ. However, on her first day in the new role with L, she was told there was an unresolved check to sort out, and she should stay home while it was sorted out. Shortly after that, L withdrew the offer of employment, leaving Mrs S with no job and no income.

Subsequent enquiries established that after turning Mrs S down for the mortgage in 2013, Halifax had applied a CIFAS marker for application fraud on the grounds of undisclosed adverse credit data. The CIFAS marker was the reason for L withdrawing the job offer. Mrs S complained; she said Halifax hadn't told her about adding the marker, and as far as she was concerned, she'd not given incorrect information during the application.

Our investigator didn't think Halifax had done anything wrong, so didn't recommend the complaint be upheld. Mrs S wants the complaint reviewed by an ombudsman.

my findings

I've not gone into great detail in the preceding section; I've condensed the arguments and evidence from both sides into something that I'm satisfied summarised the crux of the case. I'm allowed to do that; it reflects a service that, wherever possible, aims to be informal.

I assure both parties I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context.

My remit is to take an overview and decide what's fair "in the round". Having done that, I've some disappointing news for Mrs and Mr S, as I don't think Halifax has done anything wrong either. I'll explain why.

As part of the mortgage application process, Mrs S was asked if she'd had any historic arrears on previous credit, and answered "no". Halifax rejected Mrs S as joint applicant for the mortgage in 2013 because, when it carried out a credit search, it found adverse credit

data that contradicted what she'd said on the application. That's sufficient for a lender to reject an application for credit; it's also reasonable grounds to apply the CIFAS marker that Halifax applied in this instance. I wouldn't expect a lender to tell an individual that it has applied a CIFAS marker.

Mrs S asks why she would put her career at risk by making an incorrect disclosure, and why Halifax would have continued to accept business she placed with it through her job with SQ. Those are rhetorical questions, and not ones that I need to answer. It seems to me however, that for someone in Mrs S' occupation who has been turned down for credit, an obvious step would be to obtain a copy of their credit file, in order to find out what it was that Halifax had found but which she'd apparently been unaware of.

We asked Mrs S if she had a copy of her credit file from 2013; she said she didn't, although I note she didn't say she'd never had a copy. But in any event, information stays on credit files for six years, so if Mrs S wants to know what caused Halifax to apply the marker in 2013, it's possible that she'll still be able to by ordering her credit file now.

The circumstances that led to Mrs S leaving her job with SQ to go to what she thought was a secure new position with L are unfortunate, and I can well imagine her distress. But I can't deal with that situation here. Employment disputes between financial businesses and employees (or potential employees) don't fall within our remit. If Mrs S wants to pursue that, she might want to consider getting legal advice from a specialist in employment law. But on the complaint I can consider, I'm afraid Halifax hasn't done anything wrong.

my final decision

My final decision is that I don't uphold this complaint. My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs and Mr S to accept or reject my decision before 3 September 2018.

Jeff Parrington
ombudsman