

complaint

Mr C complains that Bank of Scotland plc, trading as "Halifax", wrongly notified the credit agencies when he was the victim of identity theft in 2015.

background

Mr C says he was the victim of identity fraud in 2015 when accounts were fraudulently opened at several banks by someone else. One of the banks where a fraudulent account was opened was Halifax. Mr C says he notified Halifax and it told him it would notify the credit agencies that he was a victim of fraud.

Mr C says that in 2017 he applied for credit cards with two other banks, but that on both occasions his applications were declined. He says his credit file is incorrect – it indicates he's involved in fraud rather than the victim of fraud – Halifax made a mistake when it notified the credit agencies.

Halifax upheld Mr C's complaint. It says it recorded details of the fraud on the CIFAS fraud database to provide him with extra security when he applied for future accounts with any bank. And it says although this shouldn't have caused Mr C problems when he applied for new credit cards but it did arrange to remove any trace of the CIFAS marker.

Our adjudicator looked at this complaint and said that she thought it shouldn't be upheld. She said she thought the bank had correctly followed the process it needed to when it recorded that Mr C was the victim of identity theft. And she didn't think it had done anything wrong. She explained that some software owned and managed by a third party contained incorrect data – input incorrectly by that third party – and that another bank had asked it to correct the mistake. She gave Mr C the name of the third party and explained that he could contact it to discuss his concerns. And he could complain to it directly if he wanted.

Mr C disagreed so the complaint comes to me to decide.

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'm satisfied that our adjudicator reached the right conclusion when she said she wasn't going to uphold Mr C's complaint.

In this particular case I'm satisfied that incorrectly input data may have affected Mr C's credit rating and resulted in his applications being declined. But from the evidence I've seen, I don't think this was because of anything that Halifax did or didn't do.

I can see that Halifax recorded details of what had happened on the CIFAS fraud database. This protects consumers further; it tells other organisations that someone has been the victim of impersonation fraud or identity theft. And this means that other banks will ask more questions to make sure that any application being made is genuine – it protects against further impersonation attempts.

I've also seen correspondence that suggests any incorrect data held about Mr C and the identity theft was caused by a problem with the third party and its software system – which is unrelated to Halifax. But this should now have been corrected because another bank has

already escalated this matter to the third party on Mr C's behalf. If Mr C remains unhappy with what's happened, he should complain directly to the third party – whose details I believe he already has.

In summary, I don't think Halifax did anything wrong and I don't think it is responsible for any error on Mr C's credit file. So I'm not upholding this complaint.

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 C to accept or reject my decision before 3 November 2017.

Andrew Macnamara
ombudsman