

Complaint

Mrs B has complained that Creation Financial Services Limited allowed a third party to open an account in her name.

Background

Mrs B was the victim of identity theft.

She found out that someone had opened an account in her name with Creation. She reported the fraud to Creation. It carried out an investigation and agreed she might have been the victim of impersonation fraud. It closed the account.

Mrs B wasn't happy with this outcome so she brought her complaint to this service. She said Creation had no authority to carry out credit checks against her name. And she said the forename name on the application was a misspelling of her forename, so she questions how it carried out credit checks.

She was also unhappy with the way Creation handled her complaint.

The investigator looked into her complaint and decided not to uphold it. He explained that this service couldn't say whether the checks, which Creation carried out, were correct. That is the role for the regulator, the Financial Conduct Authority. He also advised Mrs B that complaint handling isn't a regulated activity and so we can't consider this aspect of her complaint.

Mrs B disagreed with the investigator's view. She's asked for an ombudsman's 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. Having done so, I'm afraid I agree with the investigator's view. I won't be upholding this complaint.

My primary role is to decide if Creation acted fairly and reasonably, when Mrs B reported the fraud. I think it did.

It carried out an investigation and closed the account, after deciding she might have been the victim of a fraud. It isn't pursuing her for the debt on the account and she hasn't suffered any financial loss. Her original complaint has been resolved.

I understand her need to know how the fraud happened in the first place and on what basis Creation carried out the credit checks. However, there was other information, which it would've used for the credit searches, not just the forename, and which would've shown a match, for example an address. And as it believed she'd made the application, there was no good reason to ask for her permission. The problem here is not the checks but the fact that a third party had her personal details in the first place.

Besides, as Mrs B isn't a customer, then Creation it isn't obliged to do anything more. It's enough that it closed the account.

As for the way Creation handled the complaint, the investigator has explained that this service can't consider it because it isn't a regulated activity.

For these reasons, I won't be upholding this complaint. Moreover, she hasn't suffered any financial or other loss so there is no suitable award that I can make. I appreciate she'll say she's been put to the trouble of bringing a complaint to this service but it was her decision to do this, even though her original complaint had been resolved.

I'm sorry this will be disappointing news for Mrs B. It is distressing to be the victim of identity theft but Creation is not pursuing her for the debt. I hope Mrs B understands the reasons for my decision.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 23 April 2020.

Razia Karim
ombudsman