

complaint

Miss S complains that Lloyds Bank PLC incorrectly recorded a CIFAS marker against her name. She would like to be compensated for losses suffered.

Miss S is helped in her complaint by Mr D – but for ease, I will refer to all comments having made by Miss S.

background

In November 2015, Lloyds wrote to Miss S and told her it was giving her notice that it intended to close her account. It also recorded a CIFAS marker against her name – but did not tell Miss S at the time.

Miss S opened an account elsewhere and said she had to pay a monthly fee for doing so. But in later 2018, she says a joint account which she held with Mr D was also closed. She says she found out this was because of the fraud marker Lloyds had loaded.

When Miss S complained to Lloyds, it did not uphold her complaint. It said that in 2015, whilst only having a balance of 16p, Miss S issued two cheques, made payable to Mr D, for the total of £6000.05. She must have known she didn't have the funds to clear the cheques - and so must have issued them with the intention of obtaining funds from Lloyds.

But Miss S explained that in 2015, Lloyds had placed an identical marker against Mr D too. It had agreed to remove it because she had explained why these cheques had been issued. Mr D was due a back dated benefits payment – and this was going to be paid into Miss S's account. The payment would have more than covered the amount of the cheques.

Lloyds maintained its position. It says no evidence of the back dated payment was ever provided - so Miss S came to this service.

Our investigator thought Lloyds could have done more here and so she asked that it remove the CIFAS marker. She did not award any compensation.

Miss S did not agree with the investigator's view and asked for an ombudsman's 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.

Recording a CIFAS marker against a consumer is not something which banks can do without evidence – the bar is set very high.

So, in order to correctly and fairly record a marker against Miss S, Lloyds needed to have reasonable grounds for believing a fraud or financial crime had been committed. In addition, it needed clear, relevant and rigorous evidence so that it could "confidently" report the matter to the police.

I can't see that Lloyds had satisfied that test here. In fact, I can't see from its notes if it ever took a detailed account from Miss S before closing her account and loading the marker. I can't see that there was relevant and rigorous evidence – so the marker has been loaded unfairly.

financial losses

Throughout the lifetime of this complaint, Miss S has maintained that she was seeking compensation for not being able to open an account and when she did, she had to pay a monthly fee. There is also mention of other losses which she says she suffered.

I can see that no evidence has ever been presented to this service which would go towards assisting us in quantifying that loss - and that wasn't because we didn't ask for it. The investigator requested this from Miss S but nothing was forthcoming.

In the circumstances, I cannot fairly make an award for financial losses.

compensation

I've given serious consideration to the issue of compensation but in the circumstances of this particular complaint, I don't think it would be fair or reasonable to make an award. There is little information on the impact this has had on Miss S – and the removal of the marker, in my mind, is a fair outcome.

my final decision

My final decision is that I uphold this complaint in part.

Lloyds Bank PLC is to remove the CIFAS marker which has been recorded against Miss S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 May 2020.

Shazia Ahmed
ombudsman