

complaint

Mr G has complained that HSBC UK Bank plc recorded a CIFAS marker against his name. CIFAS is the UK's fraud alert service.

background

Mr G has had accounts with HSBC for a number of years. In May 2018 he received a payment of £2,000 into his current account from a Halifax account. Halifax contacted HSBC to say that the payment had been identified as fraudulent – and specifically, the payer had been blackmailed into making it. HSBC asked Mr G about the payment, but wasn't satisfied with his explanation and so closed the account (and another account he held with HSBC) and placed a CIFAS marker against his name.

Mr G explained that the payment had been money he was owed by his then girlfriend and which he'd asked her to repay so he could help his brother to buy a car. HSBC however noted that he was unable to provide anything to evidence that arrangement, and noted too that the payment had come from an account belonging to a male. It wasn't prepared to remove the marker and so Mr G referred his complaint to this service.

One of our investigators considered Mr G's complaint but didn't think HSBC should remove the fraud marker. His reasons were broadly the same as the bank's. Mr G didn't accept what the investigator said and asked that the case be reviewed by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I have however reached the same conclusion as the investigator did, and for similar reasons.

I accept that the funds that were paid into Mr G's account came originally from a victim of blackmail. The investigations carried out by the victim's bank and Halifax indicate that to be the case, and I've no reason to doubt their findings. That doesn't necessarily mean however that Mr G was involved.

However, Mr G's explanation of how the money came to be paid into his account is, in my view, not very convincing. He says that his then girlfriend was repaying money he'd lent to her. He was however unable to provide any evidence that he'd lent her money. And the bank was unable to trace any payments to the account which he says was hers, or to any other Halifax account.

Mr G says that one reason he couldn't provide evidence of the arrangements for the payments was that messages about the payment were on an old phone. I'm not persuaded first of all that Mr G's messages would have been removed with his old phone. But I note in any event that HSBC contacted Mr G within a few days, so I think he might have realised that such evidence might be important and taken steps to preserve it, perhaps by contacting his then girlfriend or the messaging service they'd used.

Mr G gave his then girlfriend's name by initial and surname. That was the name referenced on the payment he received and which appeared on his bank statement. The Halifax account was however held by a male. It wasn't his girlfriend's account. It may be that he wasn't fully aware of the story behind the payment, but I believe Mr G must have known that what he told HSBC about the payment wasn't true.

Before placing the CIFAS marker against Mr G's name, HSBC needed to have a reasonable belief that criminal charges could be brought as a result of the activity on the account. A suspicion or concern isn't enough. In my view, however, this case does meet that test. That's not to say of course that charges would have been brought or that a conviction would have resulted – that's not for me to decide. But I do think HSBC had sufficient grounds to do what it did.

my final decision

For the reasons set out above, therefore, my final decision is that I don't require HSBC to do anything more to resolve Mr G's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 November 2019.

Michael Ingram
ombudsman