

complaint

Mr M complains that Santander UK Plc ("Santander") has wrongly placed a record against his name on the Credit Industry Fraud Avoidance Scheme ("CIFAS") database. He feels that this is affecting his ability to secure a mortgage.

Mr M has been supported in bringing this complaint by his MP.

background

A mortgage application for Mr M was provided by a broker to Santander in October 2014.

With the mortgage application, an unverified pay-slip was provided as proof of income. Once it had considered the mortgage application and carried out its anti-fraud checks Santander asked CIFAS to place a record on the CIFAS database.

I understand that although Mr M's CIFAS record originally said the concern was "false documentation", CIFAS has recently revised it to say "unvalidated income".

Mr M does not consider that Santander or CIFAS have behaved correctly in placing a record on the CIFAS system. He also says that his taxation status and pay slips could be verified by Santander if it chose to do so.

Mr M has asked Santander and CIFAS to remove the CIFAS record.

Mr M is hoping to buy a property near to his father and feels that the CIFAS record is making this difficult.

Our adjudicator explained why she did not think that we would instruct CIFAS or Santander to change or withdraw the CIFAS record. Mr M and his MP were not satisfied with that response, so it has come to me to make a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have looked at this case with great care.

Santander, like any other lender, is entitled to carry out credit checks and research on the circumstances of any consumer who wishes to borrow money.

If it finds anomalies, or has concerns, it may decline the credit. It is also required, by law, to place a marker on any reference or fraud agencies as a result.

Lenders may decline credit without giving any reasons to the consumer, and this is what has happened in this case.

Discrepancies about issues such as employment circumstances or sources of funding can trigger concerns from lenders. It seems that some of these were the source of Mr M's difficulties. I would note that Santander is not responsible for the information or advice

provided by an independent broker, although a broker's record may also be taken into account during checks.

It appears that Santander has carried out its own checks on Mr M's circumstances and declined to lend him the funds he requested.

But each lender makes its own decisions on whether to give credit to a consumer. Remarks from one supplier on the CIFAS record are not an automatic bar to other lenders providing funds.

I appreciate that my decision will come as a great frustration and disappointment to Mr M. But I am satisfied that Santander has acted within its rights to decline Mr M the funds he wishes and to apply a record on the CIFAS database. So I do not uphold Mr M's complaint.

my final decision

For the reasons which I have explained above, my decision is that Santander UK Plc is within its rights to decline Mr M's funding request and to place a record on the CIFAS system.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 27 July 2015.

Roxy Boyce
ombudsman