

complaint

Mr T complains that Lloyds Bank Plc recorded a Credit Industry Fraud Avoidance System (CIFAS) marker against his name. CIFAS are the UK's fraud prevention agency.

background

Mr T had an Under Nineteen's Account, with a debit card. In November 2018 there were a number of payments into Mr T's account which were quickly withdrawn. Many of the withdrawals were at cash points (ATMs) and some were through faster payments via online banking.

The payments into the account were later found to be fraudulent. When they discovered this, Lloyds blocked Mr T's account and online banking. They later closed the account and registered his name with CIFAS.

Mr T says he didn't know anything about the payments into his account and that he didn't make the withdrawals. He contacted Lloyds on 13 November 2018 to enquire why his account was blocked and during the same call said that he'd lost his debit card 'about a week ago'.

In May 2019 Mr T contacted Lloyds and complained about the CIFAS marker they'd reported. He was unhappy as it was impacting on his ability to open a student bank account. He would like the CIFAS marker to be removed. Lloyds responded to the complaint but maintained they'd acted correctly.

Mr T referred the matter to our service. One of our investigators didn't think the complaint should be upheld. She concluded there was sufficient evidence to support Lloyds' decision to add the CIFAS marker. Mr T doesn't accept this and has asked for an ombudsman to review his complaint.

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 agree with our investigator and for essentially the same reasons. So I'm not upholding it. Let me explain why.

I'm satisfied that the payments into Mr T's account were as a result of fraud. Their own banks will have investigated those payments before reaching that conclusion and reporting this to Lloyds. Mr T may not have necessarily been involved in this. But he says he had no knowledge of the withdrawals either.

The ATM withdrawals were made using Mr T's genuine card and PIN. In Mr T's first call to Lloyds he said he had lost his debit card around a week earlier and that he thought it had 'fallen out of his wallet'. But later in the investigation when Mr T was challenged about how another person could have known his PIN number, he said he'd kept the slip with his PIN in his wallet.

I don't think Mr T would have said he thought the debit card had fallen out of his wallet, if he'd lost his whole wallet and its contents. And the change of story occurred around the

same time that the issue of there not being a plausible explanation as to how the PIN could have been compromised arose.

Further to this Mr T had previously registered for and used online banking through Lloyds' mobile banking app. On 6 November 2018 a second device was registered to his online banking. It's this second device that made the faster payments out of the account following the receipt of fraudulent funds. Mr T says he didn't authorise or register a second device. But the technical evidence shows that this was authorised following a call to his phone. There isn't evidence to suggest that Mr T's phone had been compromised. I think it's more likely than not that Mr T authorised this second device to have access to his online banking. I find the technical evidence provided by Lloyds more persuasive than Mr T's testimony.

I can also see that during the time period when all this was happening, Mr T was logging in via his own phone. And I agree with our investigator that I would have expected him to have seen the transactions and if they were unfamiliar to him I would have expected him to have reported this to Lloyds.

Looking at the complaint as a whole, I'm not persuaded that Mr T's account of events is entirely accurate. I think he knows more about what happened than he has told Lloyds or our service. In the circumstances I'm satisfied there was enough evidence for Lloyds to justifiably place a CIFAS marker against Mr T's name.

my final decision

For the reasons outlined above, my decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 4 January 2020.

Richard Annandale
ombudsman