

complaint

Miss P complains that Metro Bank PLC wrongly recorded her details on the Credit Industry Fraud Avoidance System (CIFAS).

background

Miss P had a current account with Metro. In March 2018 a cheque was lodged into her account. Metro were contacted from another bank with information about the cheque being paid into her account. The other bank said the cheque was fraudulent.

Metro contacted CIFAS and recorded a fraud marker in Miss P's name. Metro also reviewed Miss P's account and made a decision to close it. Metro sent Miss P a letter on 9 March 2018 giving her 7 days' notice that it was closing her account.

Miss P says she was declined for a mortgage and another bank closed an account she had. And she had trouble opening other bank accounts all as a result of the CIFAS marker. Miss P's also said she had to take a month off work to deal with the inconvenience of Metro closing her account. And that she had to make a number of phone calls and visits to Metro branches to try and sort things out. She wants Metro to compensate her for the trouble and upset this caused.

Miss P complained to Metro and they reviewed the marker. They decided to recognise the impact the marker had on Miss P. They reopened her account and removed the marker in June 2018. Metro also offered to pay Miss P a goodwill payment of £150. Miss P declined this. She feels Metro should do more to put things right. Our investigator said Metro had done enough to put things right. Miss P disagreed. So the complaint has come to me to decide.

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'm sorry to hear of the difficulties Miss P's encountered recently. And, I can appreciate what a frustrating situation this has been for her. But, I agree with the investigator that Metro has already done enough to compensate Miss P. And I will explain why.

Metro has explained that the reason they recorded the marker is because it received confirmation from another bank that a cheque Miss P had paid into her account in March 2018 was fraudulent. I agree that initially when the other bank contacted Metro, it was correct to have concerns. But in my view Metro should've asked Miss P additional questions about what happened.

Miss P says that after Metro closed her account she tried opening other bank accounts. But she couldn't do so. And a bank account she did manage to open was closed. She thought this may have had something to do with Metro closing her account. So in June 2018, she contacted Metro to find out. She told Metro that she hadn't known the cheque was fraudulent when she paid it into her account. She explained she'd been given the cheque as payment for work she'd been asked to do. Miss P subsequently provided Metro with emails between herself and the drawee of the cheque to support what she'd told Metro.

When Metro received the information from Miss P, they removed the CIFAS record – which I agree was the fair thing to do in these circumstances. Metro wrote to Miss P in June 2018 to let her know what it had done. And it agreed to reopen her Metro bank account.

Miss P has said whilst the CIFAS marker was in place she had a mortgage application declined and couldn't open other bank accounts. She said an account she did manage to open was also closed. And she had to have a month off work to try and sort things out. She wants Metro to compensate her for all of this.

Despite being asked by the investigator, Miss P hasn't provided any evidence to show why the mortgage application was declined or a copy of her credit file. So I can't say this was as a result of the CIFAS marker. The investigator also made some enquiries with the bank which closed Miss P's account. And from looking at the information she obtained I'm not able to say the account was closed solely as a result of the CIFAS marker, as it seems there were other factors which impacted upon the bank's decision to close the account. I've also not seen any evidence that Miss P wasn't able to open other bank accounts or had any trouble paying direct debits.

Miss P has said she had to take a month off work to try and sort things out. But I haven't seen any evidence that Miss P wasn't working. I understand Miss P did have use of another bank account into which any salary could be paid and which she could use to pay her bills. So even though Metro closed her account, she still had a bank account to use for her financial needs. I've also kept in mind that Metro's contact centre is open 24 hours a day seven days a week. And its branches are open seven days a week. So if Miss P needed to speak to Metro she could've done so outside of normal working hours.

In summary, I consider Metro has offered £150 as a gesture of goodwill, in a genuine attempt to settle Miss P's complaint, in a way that recognises the part it played in what's happened. So, I think, Metro have responded fairly and reasonably to the complaint. It's now in Miss P's hands as to whether or not she accepts their offer of £150. I won't be asking it to do anything more.

my final decision

My final decision is that Metro Bank PLC has made a fair and reasonable offer to settle this complaint. So I won't be asking it to do anything more. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 22 December 218.

Sharon Kerrison
ombudsman