

complaint

Miss B complains that Lloyds Bank plc shouldn't have shared adverse information about how she conducted her account.

background

Lloyds had identified Miss B's account was the subject of fraudulent activity. It shared this information with the Credit Industry Fraud Avoidance System (CIFAS). Miss B complains that the CIFAS entry had prevented her getting a mortgage. She wants compensation for the time and effort she spent getting it removed and the distress it caused.

Miss B is very upset by being linked to fraudulent activities and in turn, this affecting her ability to get a mortgage. She has also complained about having to take time off work, having to ask her family for help and the expense of getting everything sorted.

Lloyds accepts it made a mistake when it registered information with CIFAS. It has taken steps to remove the information. And Miss B has since had her mortgage agreed. Lloyds offered Miss B £300 compensation for the distress and inconvenience this matter has caused. It later increased this amount to £500.

Our investigator thought that Lloyds didn't need to do any more to resolve this complaint. Miss B disagrees and has asked for her complaint to be reviewed. She's seeking a far more significant compensation payment.

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've come to the same findings and conclusions as the investigator.

I understand why Miss B is so unhappy about what happened, and I don't underestimate her strength of feeling. In considering the level of compensation I have to take into account that Lloyd's error only came to light at the beginning of November 2016 – after her mortgage application (with an unrelated bank) was turned down.

I've not seen Lloyds delayed getting the information it registered with CIFAS removed. Lloyds has confirmed it was corrected within three days of Miss B bringing the error to its attention. I also understand Miss B got the same mortgage approved by mid-November.

Taking the matter as a whole, I think that the £500 Lloyds has offered Miss B is fair and reasonable. This reflects the substantial impact of the matter on her at what can be a stressful time; the trouble she was put to when sorting out the matter; and the length of time she was affected by the CIFAS entry.

my final decision

My final decision is that Lloyds Bank plc should pay Miss B £500 to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 1 March 2017.

Stefan Riedel
ombudsman