

complaint

Mr D is unhappy that Lloyds Bank PLC (Lloyds) has recorded information about him with a fraud prevention agency that has caused him to miss out on potential jobs.

background

In 2012, Lloyds closed Mr D's current account. He was aware that it had closed his account, but he was frustrated that at the time it didn't let him know why.

He later found out Lloyds had recorded information about him with CIFAS (Credit Industry Fraud Avoidance System). He was unhappy it had done so without telling him and so denying him an opportunity to defend his position. As a result of the information recorded, he said he's been turned down for jobs and that it's had an impact on his reputation and affected his health.

He's also unhappy that Lloyds took so long to reply to his complaint, a call handler was rude to him on the telephone and Lloyds has refused to update his address details.

He complained to Lloyds. It said no mistake had been made when it added the details to the CIFAS database. The bank said where it had concerns over the conduct of an account it was entitled to update the details with CIFAS and it wasn't under any obligation to tell Mr D that it had done so. It explained the record will remain on the database for up to six years. Lloyds did accept there had been some delay in replying to Mr D's complaint and it offered to pay him £50 to apologise for that delay.

Mr D asked us to look at his complaint. He wanted Lloyds to remove the information recorded with CIFAS, to pay him compensation and to restore his current account. He also wanted compensation for his mother who has had the financial burden of looking after him.

Our adjudicator didn't uphold Mr D's complaint. She didn't think Lloyds had done anything wrong not telling Mr D that it had added his details to CIFAS or for not giving its reasons for doing so. The adjudicator said she wasn't asking the bank to remove his details from the database. She said she'd listened to the call in question and she didn't think the call handler had been rude. And she said Lloyds had no record of a request to change his address until that call.

Mr D asked for an ombudsman's decision. He said he tried to find out more about the account closure at the time but wasn't able to get to the bottom of it. So it was only more recently (when he discovered that information had been recorded with CIFAS) that he attended a branch, got copies of his statements and realised there had been money paid into – and then taken out of – his account that he wasn't responsible for. He said Lloyds shouldn't have recorded the information with CIFAS without a proper investigation to prove he'd been responsible for what had happened.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr D has already raised a separate complaint with both Lloyds and this service about the decision to close his accounts. So it isn't appropriate for me to consider that further here.

It seems that up until Lloyds closed his account, Mr D was using it regularly – including making payments with his debit card and withdrawing cash.

Lloyds said it sent Mr D a statement when it closed his account. Mr D said the first time he realised there were transactions made in 2012 that he wasn't responsible for was in 2015 - when he attended a branch and obtained a copy of the statement. He disputes those transactions and now thinks he was the victim of a fraud.

Our adjudicator asked Mr D more about what happened in 2012. Mr D explained he didn't recall losing his card and no-one would've known his PIN unless they had guessed it or cloned his details. He explained that at the time he kept his PIN in his wallet, but he didn't do that now. And he didn't know about the transactions at the time – so that's why he hasn't disputed them before now.

Overall, I've not found what Mr D's said about what happened to be persuasive. Looking at the overall position in 2012, I don't think that Lloyds acted unreasonably in registering information about the payments with CIFAS.

When a bank has certain concerns over activity on an account – there are some limits on what information a bank is in a position to disclose. Having considered the circumstances here, I don't think Lloyds has acted unfairly by not providing Mr D with further information about what was happening at the time. And Mr D's now been in touch with CIFAS and knows what's been recorded about the operation of his Lloyds' account.

So taking the matter as a whole, I don't think it would be fair for me to ask Lloyds to remove the information. Nor do I require it to pay Mr D any compensation.

Mr D was also unhappy with the way he was spoken to by the call handler dealing with his complaint. I've listened to that call and I don't think the call handler was rude.

Lloyds said it was unable to find any trace of Mr D's request to change his address with it up until he spoke to the complaint handler. In the call that I listened to, the call handler did take a record of his current address for the purpose of the complaint. Lloyds has explained that because Mr D has no active accounts with it – should he wish to permanently change his address - he would need to attend a branch in person to update his profile with acceptable documentation – or he could do so on the telephone using his Personal Security Number (PSN). I think that satisfactorily addresses this aspect of Mr D's complaint.

Mr D was unhappy with the time it took to deal with his complaint. I don't think the delay was unreasonable and I simply leave it to Mr D to accept the £50 that Lloyds has offered.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 November 2016.

Siobhan Kelly
ombudsman