

complaint

Mr S complains that Aldermore Bank Plc placed a marker on the Credit Industry Fraud Avoidance System (CIFAS) against him. This was following an application for a mortgage he completed on behalf of 'T' a company that he was a director of at the time.

Mr S would like the CIFAS marker removed and further explanation as to why it was applied.

background

In 2016 T applied to Aldermore via a broker for a commercial mortgage. Whilst considering the application Aldermore conducted various checks to verify the information provided.

As a result of these checks they declined the mortgage application and made an entry onto CIFAS against Mr S. He complained to Aldermore through a representative. Aldermore looked into the complaint and maintained that they had acted correctly. They provided an explanation that the marker related to a result of some of their checks on the income documents they had been provided with. They were unable to verify the income.

Mr S wasn't satisfied with that explanation and brought the complaint to our service. An investigator concluded that Aldermore hadn't acted unfairly and didn't think they needed to take any action. Again Mr S disagreed and so the complaint has come to me for a final decision.

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 I won't be upholding this complaint. I know Mr S will be disappointed with this so I'd like to explain my reasons.

As a lender, Aldermore are entitled to look into the circumstances of customers who wish to borrow from them – as they did here. It was as a result of these checks that they decided to make an entry onto CIFAS about Mr S.

Aldermore couldn't verify some of the income documents they were provided with, so they reported this to CIFAS. As a member of that scheme they have an obligation to report information in these circumstances.

Mr S makes the point that there are inaccuracies in the mortgage application form which are a result of mistakes filling it out, rather than any fraudulent intent.

I don't dispute that there may be inaccuracies on the form. But Aldermore have explained that the CIFAS marker relates to them being unable to verify the income documents he provided. Rather than to mistakes or problems with the application form itself.

A business doesn't have to give any reasons at all in relation to a CIFAS marker, so they aren't obliged to expand on what they've already told Mr S. Based on the evidence I've seen I'm satisfied Aldermore have fairly applied the CIFAS marker and that they don't have to provide him with any further explanation. Because of this I won't be asking them to take any action.

I've not commented on the lending decision as the mortgage application was made by the company T, and not by Mr S.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 February 2018.

Richard Annandale
ombudsman