

complaint

Mr S complains that Coventry Building Society (CBS) registered a marker about him at CIFAS the national fraud database.

background

Mr S says he has discovered that CBS had added the marker in December 2014 when it closed his accounts. He says that it shouldn't have done so, hadn't told him about it at the time and asked that it be removed.

CBS said that it received information that was of concern in December 2014 and a decision was made to close the accounts held by Mr S. It said that it was obliged to report fraudulent activity on accounts. And that it was aware that he had been arrested for the '*same offence(s)*' and he had later pleaded guilty in Court.

Our investigator didn't recommend that the complaint be upheld. He referred to a specific payment Mr S had received that had been reported as fraudulent and the wider context that Mr S had disclosed to him about a criminal investigation by police and then his prosecution. He said that CBS was entitled to close his accounts as it did here with 30 days' notice. It hadn't made any mistake in applying the marker and wasn't required to tell Mr S about it.

Mr S didn't agree and made a number of points. He explained the circumstances of his related conviction in 2017. And said that this was because he had 'mis-used' someone else's money in 2014 and not paid it back as he said he would. This didn't affect CBS and he'd paid the price for this and things were resolved in Court in February 2017. He said he'd fully complied with a police investigation and had provided his banking information. It wasn't fair though that he be punished with a CIFAS marker for the six year period to December 2020. He remained unhappy that CBS hadn't contacted him about the specifics at the time and told him about the marker. So overall he didn't feel CBS had treated him fairly.

my findings

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

CBS says that it applied the CIFAS marker because of information it had received in 2014. So I've looked at whether CBS was fair to apply the marker, based on the evidence it had, and the investigation it carried out. CIFAS guidance says the business must have carried out checks of sufficient depth to meet the standard of proof set by CIFAS. This essentially means that CBS needs to have enough information to make a formal report to the police. And that any filing should be for cases where there are reasonable grounds to believe fraud or financial crime has been committed, rather than mere suspicion.

Having reviewed Mr S' account of events and the evidence CBS has provided, I'm satisfied that CBS had sufficient evidence for the CIFAS marker to be recorded.

I appreciate that Mr S says that any actual findings by a Court didn't come until 2017. And Mr S thinks that should be the end of the matter and that CBS weren't affected. I can see why he says that but frankly I don't agree with him. I think his subsequent Court matters do nothing but support concerns about his financial activities. I haven't seen anything which obliged CBS to have disclosed information in 2014 in all the circumstances. And its process

of adding a marker to CIFAS isn't dependent on any Court outcomes but in line with industry practice. That marker may affect Mr S' ability to access financial services with other businesses but it's not added as a punishment – it's a flag about what happened which stays on the database for six years.

I'm not persuaded that CBS has made a mistake or acted unfairly so I know I'm going to disappoint Mr S when I say that I won't be asking it to remove this CIFAS marker.

my final decision

My decision is that I do not 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 22 June 2020.

Michael Crewe
ombudsman