

The complaint

Mr L has complained Lloyds Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In 2023 Mr L was told by Lloyds that they were closing his account. They also lodged a fraud-related marker on his record with CIFAS.

Mr L complained and asked Lloyds to remove the marker. Lloyds didn't feel they'd done anything wrong and refused to remove this.

Mr L brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and believed Lloyds' evidence was sufficient to lodge the CIFAS marker. She'd considered Mr L's testimony in support of his complaint but didn't believe this demonstrated he didn't know what was going on.

Mr L disagreed with this outcome. He's asked an ombudsman to consider his complaint.

What I've decided – and why

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 reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous.”

So Lloyds must be able to provide clear evidence that an identified fraud was being committed and Mr L was involved.

There's also a requirement that Lloyds should be giving the accountholder an opportunity to explain what was going on.

I've seen the evidence provided by Lloyds. This confirms they had sufficient concerns about payments Mr L was making, along with a chargeback raised which they believe was fraudulent.

Mr L has told us of his history within a group chat which he'd used for foreign exchange currency dealing. He's also shared many pages of chat messages with us which he believes shows he was the victim of a scam and never received what he believed he should. Mr L denies making the phone call to Lloyds and claims this was done by someone involved in

the messages using voice-altered technology. Mr L believes this evidence shows he was always wary about getting involved in anything shady

I'm not convinced by his testimony.

I say this because I've reviewed Mr L's history of account use with Lloyds. This has included 170 pages worth of statements for his account. Considering Mr L's young age, there appears to have been large values going through his accounts, including relatively high levels of gambling. I note Mr L has raised previous fraud cases with Lloyds.

At the same time as Mr L worrying about the risk of potential scams, he was still prepared to make payments as instructed even though credits he was expecting bounced. He'd been told by this third party that they'd been suspended from using their own account, but Mr L was willing to make transfers on their behalf. I'd have expected him to stop doing this as I'm satisfied he was aware what could happen. That Lloyds could suspend use of his own account and lodge a fraud-related marker with CIFAS.

I note Mr L's strenuous denials about being involved in the chargeback claim, and this includes saying he wasn't the person calling Lloyds making this claim. I can't be certain that it was Mr L but based on what I've seen and listened to, I think it's most likely it was.

The requirements around banks lodging markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on. In this case I think this most likely exists here from reviewing the payments into and out of Mr L's Lloyds account.

On this basis I don't believe it would be fair and reasonable to ask Lloyds to remove the CIFAS marker.

My final decision

For the reasons given, my final decision is not to uphold Mr L's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 April 2024.

Sandra Quinn
Ombudsman