

## **The complaint**

Mr M complains that he had a Cifas marker registered against him by Barclays Bank UK PLC ('Barclays') without due cause.

## **What happened**

In June 2018 Mr M applied and was approved for an ISA account with Barclays. When Barclays made further checks after the application was made, they discovered Mr M had failed to disclose an address which had adverse credit information registered against him. They decided to close his account and refer the matter to Cifas who registered a fraud prevention marker against Mr M. Specifically, they recorded a marker for 'false application'.

Mr M explained he had not intended to deceive the bank. The address he gave them was not his residential address at the time but was his postal address. At the time Mr M lived in shared accommodation and was concerned about the security of his banking information if his post was sent to his address, so he used his parent's address instead. He shared evidence with us that he had also used his parent's address as his postal address for his student loan and for a pension. Mr M became aware of the Cifas marker in December 2022 when he failed the vetting process for a job with a financial business, leading to a job offer being retracted. He said he realised now with the benefit of hindsight that the marker has been impacting him over the years, including previous job and rental applications.

Mr M complained to Barclays and during a call with them in January 2023 he said he was told that Barclays were upholding his complaint and removing the marker. He was then informed five days later that Barclays declined to remove the Cifas marker due to the negative financial information registered against Mr M at the undisclosed address. Mr M said he was still in touch with the financial business at the time about his job application that had been retracted, but he was not clear whether the job would have still been available at this time.

Unhappy with what had happened, Mr M complained to our service. One of our investigators looked into what had happened and recommended that Mr M's complaint be upheld. They accepted that Mr M had failed to disclose the address he resided at, but felt that this was reasonable due to his concerns around the security of his mail at a shared property. They said they thought it was reasonable to have used his parent's address in the circumstances, and so recommended that Barclays remove the Cifas marker and pay £100 for the distress and inconvenience caused by the misleading phone call Mr M had with Barclays in January 2023. Barclays accepted the recommendation, and asked Cifas to remove the marker registered against Mr M. Mr M remained dissatisfied – he felt that due to the detrimental impact on him that Barclays ought reasonably to pay compensation to him. He said that Barclays wrote to him upon approving him for the account saying to check his details and giving him 30 days to rectify any errors. He said they then wrote to him the following day with a notice to close the account, which did not give him the opportunity to rectify any errors. He did not think they had proven they asked for previous addresses.

Barclays got in touch to make an offer of £250 in recognition of the distress and inconvenience caused to Mr M in full and final settlement of the complaint. Mr M still wanted the case passed to an ombudsman – he said he wanted a published decision to highlight the difficulties he had faced since losing the job role he had from the other financial business. As no agreement was reached, the case has been passed to me to decide.

## **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 have reached the same conclusion as our investigator, and for broadly the same reasons.

I have considered Mr M's concerns around being given 30 days to rectify any errors in his application and then receiving a notice to close his account the following day. Barclays can close an account with immediate effect if they reasonably believe that a customer gave them any false information – it is outlined in the terms and conditions of the account Mr M signed up for. And so, I do not think Barclays did anything wrong in closing Mr M's account so soon after he opened it. They discovered that Mr M had failed to give his address as required in the application, and there was negative financial information registered against him there. The 30-day window to correct any errors is more likely aimed at correcting typing errors and similar – not for amending addresses that should have been given at the time of account opening.

As both parties agreed that the Cifas marker should be removed, and this has now been done, I will not need to decide on this matter. But I think it is important to explain that I agree with our investigator that based on the information available to Barclays at the time they loaded the Cifas marker, Barclays did not make a mistake. I'll explain why.

The type of Cifas marker that Barclays asked to be applied is for application fraud. For Barclays to record this it is expected to demonstrate that it had clear, relevant and rigorous evidence to show that in the course of the application process, Mr M submitted one or more material falsehoods for the purpose of obtaining the benefit of opening the account. They do not have to show that a fraud or financial crime was committed say beyond reasonable doubt. But they must demonstrate that there were sufficient grounds to believe a financial crime was committed or attempted – mere suspicion or concern is not enough.

It is not in dispute that Mr M did not disclose his residential address, but instead gave his parents address as a postal address which he said he thought was sufficient. But Mr M disputes that he did this in order to gain a benefit – he did this because he did not feel his shared accommodation was secure. And I do think that this is likely the case – he provided us evidence of other official documents being sent to his parent's address including his pension and student loan. However, I still think it was fair and reasonable for Barclays to register Mr M with Cifas, I'll explain why.

Failure to disclose an address with negative financial information registered against you does amount to a material falsehood in an application. And Mr M was responsible for ensuring accurate information was given to Barclays when they opened the account – which was all the more important in his case given the negative financial information registered against him at his actual residential address at the time. On the evidence available to me now, I cannot say with certainty what was said in branch between Mr M and branch staff when he opened his account. But it does seem highly unlikely that they would advise Mr M that he could just put down a postal address, particularly if they had been told that he had negative financial information registered against him there. And so when Barclays further reviewed Mr M's application after his account was opened, I think it was reasonable to conclude that Mr M had provided a material falsehood in order to obtain the benefit of opening an account – he had made no reference to his actual residential address and the negative financial information would have been a motive for failing to disclose this address. Whilst I do understand Mr M's reasoning – he was responsible for ensuring the information was accurate and I do think Barclays were entitled to conclude they had sufficient grounds to refer the matter to Cifas without further investigation.

I do appreciate that the Cifas marker has led to difficulties for Mr M – most importantly the withdrawal of a job offer with another financial business, but also other issues he now thinks are linked with other job and rental applications. But as I do not think Barclays acted unfairly in registering Mr M with Cifas in the first place, I cannot say that they should be held responsible for these difficulties now, and so I will not be asking them to pay any compensation in recognition of the distress and inconvenience caused here.

I do think Barclays erred when Mr M got in touch with them about the Cifas marker. Having reviewed the phone call Mr M had with Barclays in January 2023, I can understand why he was left feeling that Barclays were likely removing the Cifas marker and upholding his complaint, although the call handler does say she needs to talk to other colleagues. But Mr M's correspondence with the other financial business showed that he did believe the marker was being removed. However, some five days later Mr M found out that the case was not being upheld and the Cifas marker was not being removed. It does appear the job offer having already been rescinded meant that this error did not cause any further issues with the job – it is unclear whether it would have still been available without a renewed application. But Mr M works in the financial sector and so I understand that he was concerned about losing the job he had at the time, and so five days of thinking the matter was being resolved in his favour, followed by the discovery that the Cifas marker was to remain, must have been difficult for him. So I think it would be fair and reasonable for Barclays to pay Mr M the £100 our investigator recommended in recognition of this distress and inconvenience this caused.

### **My final decision**

My final decision is that Barclays have acted fairly in removing the Cifas marker, and that they should pay Mr M £100 in recognition of the distress and inconvenience they caused him if they have not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 December 2023.

Katherine Jones  
**Ombudsman**