

## **The complaint**

Mr I complains that Clydesdale Bank Plc trading as Virgin Money unfairly recorded on the National Fraud Database that he'd made a false application for a buy-to-let mortgage.

## **What happened**

In 2023, Mr I had an application for finance declined. He said he discovered that in 2020 Virgin Money had made an entry on the National Fraud Database (the Database) against his name. The entry said *"False application, facility refused. Applying for an account, insurance policy, or other facility with one or more material falsehoods in the information provided."*

Mr I complains that the entry has been recorded against him in errors. He said there was a considerable amount of incorrect information, including an incorrect work phone number, bank transactions and trading addresses. He believes that someone made an application for a mortgage using his name without his knowledge.

The investigator did not think the complaint should be upheld.

Mr I did not accept what the investigator said. He made a number of points, including:

- He did not agree with the investigator that the person who applied for the mortgage and him were the same person.
- Virgin Money should not have allowed the mortgage application to proceed based on a phone call and a copy of a bank statement. A typical mortgage application would include much more information being gathered to establish the applicant's eligibility and identity. If it had done so, it would have come to light that Mr I had not made the application.
- Virgin Money should have done more to check that it was him who had made the false application before making the entry on the Database.
- Virgin Money should have told him that an application had been made in his name and had been declined.
- He did not understand how Virgin Money reached the conclusion that he was involved in the application.
- His mobile phone has exclusively been used for his business since 2017 – with all calls being redirected to his business landline. He is unaware of how Virgin Money was receiving calls from and making calls to that number.

## **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.

Making an entry against someone on the Database is a serious step by a financial business.

An entry should only be made if there are reasonable grounds to believe fraud or a financial crime had been committed or attempted and the evidence must be clear, relevant and rigorous.

The standard is not, however, that a fraud has been proved. Rather, it is that there is reasonable suspicion that fraud has been committed or attempted. In considering this complaint, I am deciding whether it was fair for Virgin Money to decide that threshold had been met to record an entry against Mr I on the Database.

The entry was made for a false application. Virgin Money said that information provided in support of the application had been falsified. I am satisfied that Virgin Money had good reason to reach that conclusion.

The application was made using Mr I's real name, address, and mobile phone number. Virgin Money has provided evidence that it wrote to Mr I at his home address – and that it had a number of phone calls with the applicant both to and from Mr I's mobile phone number, which is the same phone number Mr I has used in this complaint.

I am satisfied that it was reasonable for Virgin Money to suspect that fraud had been attempted. Based on the evidence I have, I consider it was reasonable for Virgin Money to find that Mr I made or was involved in the application. It follows that it was reasonable for Virgin Money to record an entry on the Database.

### **My final decision**

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 I to accept or reject my decision before 12 February 2024.

Ken Rose  
**Ombudsman**