

The complaint

Mr A complains that Starling Bank Limited are being unreasonable in not removing a marker with the fraud prevention agency CIFAS against his name.

What happened

Mr A held an account with Starling. In September 2023 the account received two payments that were later reported as fraudulent. Starling took the decision to close Mr A's account. They also recorded a marker against him for "misuse of facility" with the fraud prevention agency CIFAS.

When Mr A discovered the marker, he complained to Starling. He initially said his account was hacked and the payments weren't authorised by him. But he later said that the actions were a result of him being young and naïve, and he had subsequently taken steps to educate himself on responsible financial behaviours.

Starling responded to say that they felt the marker was appropriate and in line with the guidelines laid out by CIFAS and declined to remove it.

Unhappy with this Mr A referred his complaint to our service, but our investigator didn't think it was unreasonable for Starling to record the marker. Mr A disagreed so the complaint 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.

Both Starling and the investigator have outlined what CIFAS is and the standards of evidence required to record one against an individual, so I will mention them only briefly here. To record the marker Starling must have evidence that Mr A was complicit in fraud or financial crime – and this evidence must be rigorous, and accurately recorded.

It's not in dispute that the funds received into Mr A's account were fraudulent. And he's now told our service that he was instructed to forward them on, in exchange for payment. And this is backed up by the technical evidence Starling have provided on the activity on his account. Very plainly, this would be enough for Starling to record a marker with CIFAS.

I have considered Mr A's statement that he was naïve and learned from his actions. I've no reason to doubt that his remorse is genuine. But I'm not minded that it would be reasonable for me to direct Starling to remove the marker.

In the first instance he tried to mislead the bank by saying he didn't make the transactions he now accepts he did. He's now told us that he believed what he was doing was legitimate, and he had passed on the funds to a third party. But from the statements it appears the first payment was passed to another account in his name. So, I'm not persuaded that Mr A was completely unaware of the nature of the funds.

Overall, I'm satisfied that Starling are within their rights to record the CIFAS marker, as this is factual information. I can't see any reasonable ground to ask them to remove it.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 October 2024.

Thom Bennett
Ombudsman