

## **The complaint**

Mr M complains that FirstRand Bank Limited trading as Motonovo Finance has unfairly registered a marker at CIFAS, the national fraud database.

## **What happened**

Mr M says he needed finance for a vehicle in January 2015. He can't remember the details of how far he got with an application with Motonovo Finance. He recalls being asked for further information but says that the following day he took finance from a different business and so he didn't respond. Mr M says he didn't purposefully miss any information on his application and didn't think he had a record of bad credit at a previous address. This marker applied in February 2015 has affected his ability to open accounts elsewhere.

Motonovo Finance says it received an application from Mr M on 29 January 2015. Its checks showed that he had a connection to an address he hadn't disclosed in the prior three years of address history it required. There was evidence of bad credit at that address. In its final response it said that it wouldn't have sent out a request for his address history as it had rejected the application. It said it hadn't made a mistake in adding the marker at CIFAS.

Our investigator recommended that the complaint be upheld. He said that the bar for recording a marker at CIFAS was a high one. And that a business is expected to keep a record of the checks it made to show why a CIFAS marker was recorded. He said that:

- He'd asked Motonovo Finance to provide an audit of Mr M's application and the messages that had been displayed to him when filling out his application. All it had provided was a file of details input but it didn't show whether he had intentionally omitted certain information.
- We needed fairly to see the questions Mr M was asked and how they were phrased when the information was being entered. It was the responsibility of Motonovo Finance to keep all the information to demonstrate there were grounds to think that application fraud had been attempted.
- He found what Mr M had told him to be credible. But he said he wouldn't be able to take into account the 'potential' loss for Mr M if he had difficulty opening an account elsewhere. But he did think a payment of £200 for trouble and upset was warranted.

Motonovo Finance didn't agree. It provided an extract of a customer notice it said applied in January 2015 stating that it would make searches and share information with credit and fraud agencies. And that this emphasised the need for Mr M to take care in his application. It didn't think that a request for three years' address history was a difficult one. And it didn't see why it needed to prove Mr M had deliberately omitted this. Motonovo Finance said that Mr M had a reason to do so.

## **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.

I need to consider whether the report to CIFAS was made fairly. On this point, Motonovo Finance needs to have more than a suspicion or concern. It has to show it had reasonable grounds to believe that a fraud or financial crime had been committed or attempted and that the evidence would support this being reported to the authorities.

I can appreciate why Mr M now has a limited recall of what happened in January 2015. But he says he was able to apply for other credit successfully at the time and didn't know about the marker until 2019. He thinks that an issue with his address was raised at the time, but he didn't pursue this. Our investigator considers he's given a credible account of how the other address was missed on his application.

The evidence from Motonovo Finance about what happened has been sent in stages. When our investigator initially looked at this he had complaint notes and a limited database file. After his first view Motonovo Finance sent the information it had linking Mr M to a different address. And indicating he had relevant credit history there. Before the case has been passed to me it sent in a copy of the details about the way it would have used information.

It was clearly a matter for Motonovo Finance to decide whether to agree the application for credit. I don't have the information to show how that was communicated to Mr M to resolve whether he was asked for more information or what he was told about his application at the time. The issue remains largely one about process. While I fully understand why Motonovo Finance thinks that a question about address history is a simple one, we haven't seen how this was asked and clear evidence of what was presented to Mr M on screen during an online application. I appreciate the difficulty in recreating that for Mr M. But to assess fairly whether this was either carelessness or an omission on the part of Mr M I need to see exactly what was put to him and how he responded. It is likely he saw a warning of some sort about the use of his information and I don't doubt he reasonably expected some sort of credit scoring for his application.

While I fully understand Motonovo Finance's position I'm deciding here what I think is fair and reasonable. There were grounds for suspicion but taking into account what Mr M has said I find it hasn't been able to demonstrate to me at this time that in 2015 the high bar for the reporting of a CIFAS marker was met.

### **Putting things right**

Mr M's position seems to be that for some time he was able to access other credit. The issue has come more recently he says when he has been applying for further accounts. I agree with our investigator that we won't look at potential loss here. And there was no guarantee that an application would otherwise have been agreed. But I do think Mr M has been caused a measure of trouble and upset. The recommended amount of £200 is appropriate.

**My final decision**

My decision is that I uphold this complaint and I require FirstRand Bank Limited trading as Motonovo Finance to remove the CIFAS marker and pay Mr M £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 December 2020.

Michael Crewe  
**Ombudsman**