

The complaint

Mr S complains that FCE Bank Plc trading as Ford Credit has unfairly registered a fraud marker at CIFAS, the national fraud database.

What happened

Mr S made an application for credit to finance the purchase of a vehicle in July 2018. His application was declined. He discovered that FCE Bank had registered the marker because he had not disclosed his full address history. He says he was not asked for this and it was not his mistake. This marker is having a significant impact on his ability to get credit elsewhere.

FCE Bank says that it needed an address history for Mr S over the previous five years. Its own checks found that he had lived at a different address to the one he gave for part of that period. And that there was adverse credit history recorded against him at that address. It said that this may have affected its credit decision. It was the responsibility of Mr S to give accurate information. And so FCE Bank then recorded a marker with CIFAS and had also had confirmation from CIFAS that based on the evidence it had met its standards.

Our investigator did not recommend that the complaint be upheld. He'd seen the information that FCE Bank held about the address for Mr S. He acknowledged that he wasn't there when Mr S made the application through a dealership. But he thought it unlikely that the sales representative would put false information into the online application. He thought it most likely that Mr S had not disclosed this address. And he had seen correspondence from Mr S about a very similar complaint in which he had also told a different lender he had moved into his current address in August 2013. Our investigator said it was most likely that Mr S provided the incorrect information to try and conceal his full credit history. And so, he thought that FCE Bank had established that it had met the high bar for recording a marker.

Mr S did not agree. He said that he feels that the dealership made a mistake. He wanted his complaint to be reviewed by an ombudsman.

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.

The standard for adding a marker to CIFAS is a high one. FCE Bank 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.

When Mr S contacted this service, he referred other similar complaints to us. We look at things individually, but I will also be issuing a decision about a complaint about a similar application made to another financial business with an incomplete address history. And as part of the information he's submitted to us he's shown he has another similar marker at CIFAS.

I appreciate Mr S says this was all a mistake. But I'm satisfied that as part of the application FCE Bank required a history of his address for the previous five years. And that Mr S was most likely asked for this. There was no reason for the sales representative not to ask him for that information. And based on his own evidence Mr S has shown that a different financial business had an incorrect address history recorded for him too. I'm also satisfied that as part of the process of applying for credit he would have been alerted to the credit checks that would be made.

It is not in dispute that there was an adverse credit history for him at his previous address. And FCE Bank has confirmed that if it had continued with a credit application that may have been material to its decision. I am afraid I think that Mr S most likely did not disclose his address history in an attempt to conceal his credit history which he would reasonably have known would be material to a credit application.

So, I need to decide whether FCE Bank was fair to apply the marker, based on the evidence it had, and the investigation it carried out. CIFAS guidance says the business must have carried out checks of sufficient depth to meet the standard of proof set by CIFAS. This essentially means that FCE Bank needs to have enough information to make a formal report to the police. And that any filing should be for cases where there are reasonable grounds to believe fraud or financial crime has been committed, rather than mere suspicion.

Having reviewed the account given by Mr S and the evidence FCE Bank has provided, I'm satisfied that FCE Bank had sufficient evidence for the CIFAS marker to be recorded. In coming to this view, I've taken into account the following reasons:

- Mr S did not disclose his full address history in the application.
- The most likely explanation for this was that he did this to help him obtain credit.
- FCE Bank had grounds to believe that Mr S had attempted to make a fraudulent application for credit.

So, I know Mr S will be very disappointed when I say that I don't have a reasonable basis to require FCE Bank to do anything further.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 October 2020.

Michael Crewe
Ombudsman