

The complaint

Miss T has complained Oodle Financial Services Limited, trading as Oodle Car Finance, added a fraud-related marker to her record and wouldn't remove it despite her confirming how this happened.

What happened

In 2019 Miss T applied for finance so she could buy a car. The supplier (who I'll call R) took details and submitted these. Oodle was the finance company introduced to Miss T by R and the credit intermediary. Oodle checked the information supplied – including two addresses where Miss T had lived in the preceding three years. They noted this didn't match information on Miss T's credit record.

There was a third address where Miss T had lived during this period. A default was also shown linked to this address. Oodle rejected her finance application. They also loaded what had happened as application fraud with the industry fraud database, CIFAS. They *"believed the customer had intentionally falsified her address history to conceal the adverse seen"*.

Miss T was notified of this CIFAS marker by her employer (A) in 2020. As she was employed within the insurance industry, this had an impact on her future employment. Miss T complained to Oodle. They didn't believe the information she provided – that this address had belonged to her abusive ex-partner – made them change their mind.

Miss T brought her complaint to the ombudsman service. She told us she'd not intentionally misled Oodle when applying for finance. In fact her father had completed the online application on her behalf. She also pointed out the credit intermediary hadn't picked up on her address history when discussing the application with her. She also confirmed she'd felt pressured and bullied by A and believed the CIFAS marker had directly led to her leaving employment. She wanted compensation for what had happened.

Our investigator reviewed the evidence provided by both Miss T and her representative, Mr T, and Oodle. He believed that Miss T had omitted to provide information about the address to Oodle. However he didn't think Oodle had properly investigated what Miss T had done as required before lodging a marker with CIFAS. He also couldn't see that Oodle had considered the impact of Miss T's vulnerability. He asked them to remove the marker from her record but didn't offer any compensation.

Oodle believed they had followed the relevant rules. They were concerned that further investigation would have led to tipping off Miss T why her application was under review.

Miss T was stunned that our service couldn't see how the CIFAS marker directly led to her terminating her employment.

This complaint has been passed to an ombudsman for decision.

I completed a provisional decision on 19 January 2022.

Miss T accepted the outcome. She, however, corrected my understanding about her interaction with Oodle. She said the CIFAS marker referred to information about two addresses that were linked with her. She was more than happy to accept she'd lived at one as she'd been on the electoral roll there but had never lived at the other property which was linked to her ex-partner. This was the issue she was highlighting with Oodle.

Oodle agreed to remove the CIFAS marker from Miss T's record. However they felt the compensation being offered was high and meant Miss T was being rewarded for submitting false information. They also stated *"We also have an obligation to report this omitted address to CIFAS whatever the circumstances are as per CIFAS guidelines"*.

I now have all I need to complete my final decision.

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've come to the same outcome as I did in my provisional decision. I explain why below covering those issues that both Oodle and Miss T has raised with us.

Firstly I want to refer to the rules for lodging a marker with CIFAS. Oodle has provided us with a screenshot of CIFAS's rules and leaflet. Our service requires any business to have undertaken sufficient checks to satisfy themselves they have enough grounds to press criminal charges as a result of what happened. This I believe matches CIFAS's own rules.

Oodle has also said they're obliged to report this omitted address information to CIFAS. I'm not sure where this comes from. I accept this may be their internal policy but there's no CIFAS obligation.

I'm aware that Oodle checked Miss T's record with more than one credit reference agency to identify the information about the unrecorded address. I appreciate they didn't contact Miss T as they didn't want to alert her to the nature of their investigation. However without evidence from both sides I'm not convinced there would have been enough grounds for pressing criminal charges

And that aspect is key here. I appreciate Oodle had no intention of pressing criminal charges and the rules don't require them to do so. But would they have satisfied the threshold for bringing criminal charges?

There's no dispute Miss T provided incorrect information in response to a question about her addresses within the last three years. I'm aware she says the application was made by her father but it was in her name. So it would have been her responsibility to ensure the information was correct.

I can also see that a further application was made for finance in January 2020. The same address information was omitted then as well.

I have considered what Miss T's motive would have been for this. In my provisional decision I referred to evidence Oodle gave us which suggested Miss T had changed her story about the addresses when she contacted them. Miss T has now provided copies of information she'd been given by CIFAS and her contact with them. I can see there were two addresses supposedly undisclosed in her credit application. She was more than happy to admit she'd lived at one with her ex-partner as she was on the electoral roll. But I agree with her she was telling Oodle that she'd never lived at another address which was linked to her CIFAS

record. I've seen no other evidence which shows Miss T – despite what she's said – was living at this address.

Miss T has insisted to us that she was avoiding mention of the one address she admitted to living at because of the impact her time there had had on her. I've seen evidence that the police had to take action against her ex-partner to protect Miss T so don't dispute what she's been telling us about him.

I can also see that the default which was related to this address was only added to Miss T's credit record in April 2019 a couple of months before she applied for finance. All correspondence relating to this was more than likely sent to the address she'd not lived at for about a year at least. I think it's more than possible she wasn't even aware of the default. This suggests to me that her unwillingness to mention this address wasn't related to the default but about the memories of her time at this address. Oodle has questioned this but I don't agree the evidence supports their view.

Overall therefore I don't believe Miss T misled Oodle with a view to committing fraud. If Oodle had carried out an investigation as I believe would have been appropriate, they may well have discovered this.

Miss T works in a specific industry and was employed by A. A carries out random checks into their employees. They noted in April 2020 that a CIFAS marker was registered against Miss T and asked her to explain this. At the time Miss T confirmed she *"had no idea what a cifax was"*.

It was at that stage she appealed to Oodle and then brought her complaint to our service. Unfortunately due to the volume of work at the service we've not been in a position to progress her complaint as quickly as we would normally.

Miss T subsequently left employment with A but believed this amounted to constructive dismissal. She lodged a grievance against her employer and has shared these detailed documents with us.

It's clear from these that she felt bullied and harassed about having a CIFAS marker lodged on her record and what A was expecting her to do to get this removed. Miss T had told A her complaint was with our service. I believe from the evidence Miss T has shared with us that A was willing to wait to see how her complaint would develop.

During the early period of national lockdown, it appears Miss T – along with many other employees – agreed a workplan with A to enable her caring responsibilities. Despite what Miss T has told use, I still believe it's clear from documents she lodged with A about her employment grievance that how the care plan developed was also part of her issues with A.

I appreciate Miss T felt bullied and that A was constantly asking her about the CIFAS marker but I'm not sure the evidence she's shared with us demonstrates this fully. A number of things can contribute to someone deciding to leave an organisation. Periods of national lockdown, working from home and the impact of changed hours and salary also contributed I believe to Miss T's decision to leave A's employment.

I don't think it would be fair to say the CIFAS marker was the single contributing factor.

Putting things right

I don't dispute the CIFAS marker had a significant impact on Miss T's mental health and must have been a worry when she found out what was happening. This was possibly more

than may have been the case for other individuals as this followed on from Miss T's anxiety about her treatment in a previous relationship.

I think it's fair Oodle remove the CIFAS marker from Miss T's record.

I don't agree with Oodle that Miss T is being disproportionately compensated. I see she lost as much as £10,000 worth of shares from the decision she made to leave A's employment so I could have awarded significantly more compensation. Having considered all the issues involved, I believe Oodle should pay Miss T compensation. I think £750 is a fair and reasonable amount.

My final decision

For the reasons I've given, my final decision is to instruct Oodle Financial Services Limited, trading as Oodle Car Finance to:

- Remove the CIFAS marker from Miss T's record; and
- Pay her £750 for the upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 3 March 2022.

Sandra Quinn
Ombudsman