

The complaint

Mr A has complained Mitsubishi HC Capital UK plc has applied a fraud-related marker to his record which they won't remove.

What happened

Mr A bought a ring in 2016. He was persuaded to apply for credit but was rejected. He wasn't concerned by this as he was always willing to pay by cash and did so. In 2021 he contacted the credit provider, now Mitsubishi, to query why there was a fraud-related marker in his name. This had been registered on CIFAS, the industry fraud database.

Mitsubishi confirmed Mr A had provided an incorrect address in 2016 which had led to his credit application being rejected. A marker was then applied to his record. Despite Mr A confirming why he'd not provided the address related to his electoral roll entry, Mitsubishi believed they'd done nothing wrong.

Mr A brought his complaint to the ombudsman service.

Our investigator believed Mitsubishi couldn't show that Mr A had deliberately tried to mislead them. And therefore they'd not met the requirements to lodge the marker. This had obviously impacted Mr A and our investigator asked Mitsubishi to pay him £100 compensation.

Mitsubishi disagreed and believed we should consult CIFAS. This complaint has been referred to 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Our investigator wrote a detailed view on 3 May 2022. I feel no need to rerun a lot of what was said there and the subsequent emails between our service and Mitsubishi.

It is clear what the requirements are prior to lodging a marker. Mitsubishi must be able to provide there's evidence Mr A was trying to mislead when he applied for credit in 2016.

Mitsubishi is unable to confirm what Mr A was asked about addresses in 2016. He's told us he was asked about his current address which he provided. He was living with his partner at the time but had previously lived with his parents and this is where the electoral roll showed him as living.

I doubt very much Mr A was trying to mislead. He'd have known what the electoral roll showed so I see no reason to doubt what he's telling us that he was only asked about his current address. Mitsubishi has confirmed, as much as they're able, that at no stage was Mr A queried about his address so had no opportunity to explain or put right what was being noted – and suspected – at the time.

Based on this evidence I have no idea what offense Mitsubishi think Mr A may have committed and what criminal charges they could bring with any reasonable hope of success.

Mitsubishi has suggested we contact CIFAS to check with them. I have no need to do so as we consider CIFAS' guidelines when we're considering related cases. And I've done this here.

I'm satisfied Mitsubishi haven't met the required guidelines to lodge a marker appropriately.

Putting things right

On this basis I'm instructing Mitsubishi to remove the marker from Mr A's record.

Mr A has told us this has had a major impact on his ability to get employment but hasn't provided us with the evidence we've requested to show this. I can't fairly ask Mitsubishi to pay for loss of earnings without that evidence.

I do believe, however, that Mitsubishi should pay Mr A £100 in compensation for the trouble this has caused him.

My final decision

For the reasons given, my final decision is to instruct Mitsubishi HC Capital UK plc to:

- Remove the fraud-related marker from Mr A's record; and
- Pay Mr A £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 September 2022.

Sandra Quinn
Ombudsman