

## **The complaint**

Mr M complains that Mitsubishi HC Capital UK Plc trading as Hitachi Personal Finance (“Hitachi”) unfairly recorded a CIFAS marker in relation to an application he made for borrowing.

## **What happened**

Mr M attempted to purchase goods from a retailer using finance provided by Hitachi in May 2020. Hitachi declined the application and recorded a CIFAS marker because it believed that Mr M had intentionally provided untrue information about his address history, meaning he wouldn’t need to disclose former addresses which had adverse credit information linked to them.

This came to Mr M’s attention after he made a further application with both the same retailer and Hitachi in June 2021.

In July 2021 Mr M complained to Hitachi because he didn’t think the CIFAS marker had been applied fairly. Hitachi disagreed and declined to remove the marker.

Mr M referred his complaint to this service. He said the information he’d provided in his application was correct.

Our investigator disagreed. He said, in summary, evidence Mr M provided by way of his credit file, as well as his own testimony, was contradictory and demonstrated that he’d likely lived at another address – one linked to adverse credit data – during the period in which he said he’d lived at his current address.

Our investigator concluded that Mr M ought reasonably to have been aware that the information he’d provided was inaccurate. And, on balance, that the misinformation Mr M provided during his application was likely not an innocent mistake. They said that Hitachi had acted fairly by recording a CIFAS marker.

Mr M disagreed. He accepted that he’d provided incorrect dates but said he had no intention to commit fraud. He said he’d made an honest mistake and asked for an ombudsman’s decision on the matter.

The case has been passed to me to decide what should happen.

## **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.

Mr M’s complaint is about CIFAS information Hitachi recorded in relation to an application he made for regulated lending with it. That’s an activity we have the power to consider a complaint about.

The CIFAS marker Hitachi recorded on the National Fraud Database in relation to Mr M’s application was a “false application” marker. It’s intended to represent situations whereby someone applies for a credit facility with one or more material falsehoods in the information provided. The information Mr M provided from CIFAS shows that Hitachi recorded the

marker due to finding undisclosed addresses with adverse credit data.

In recording the marker, Hitachi isn't required to prove beyond reasonable doubt that Mr M is guilty of fraud or financial crime, but it has to show there's more than a mere suspicion. The relevant guidance says that to load a marker;

- There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; [and]

- The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police.

Hitachi has shown that during the application process Mr M was asked to provide his current address and say how long he'd lived there. It's shown that Mr M input information to show that he'd lived at his current address for four years. So, it's reasonable to interpret that Mr M ought reasonably to have known that represented that he'd lived at his current address four years prior to his application – in other words, since May 2016.

Hitachi also told us that because of the time which Mr M had told it he'd lived at his current address, its system wouldn't have required any information about former addresses. But it also said that it would've asked about former addresses if Mr M had entered a lesser time at his current address.

Mr M's told us that he lived at a family address until 2013 and he then moved to another property where he stayed until mid-2017. He's provided evidence which supports that. Mr M says he then moved to his current address, but he hasn't been consistent about when. He initially told our investigator it was sometime in 2018, and he later said it was sometime in 2017.

Mr M's provided a copy of his credit file. It shows that he was on the electoral register at his family home until 2017, at his former address until 2018 and at his current address from June 2019. So, it seems there's discrepancies between what's been said by Mr M and what's recorded on his credit file. In particular, regarding Mr M's address between mid-2017 and mid-2019.

Mr M's credit file shows he opened a number of credit facilities between May 2018 and January 2019. Three of those accounts defaulted. All of them were registered to the family home Mr M says he hadn't lived at since 2013. Despite this, Mr M told our investigator that in applying for those accounts he would've given the address he'd been staying at. That would suggest that Mr M had been staying at his family home again between those dates. I note, however, he later said he might have applied for one of the accounts using the address his banking facilities had been registered to, rather than the address he'd been living at.

Our investigator highlighted these discrepancies to Mr M. They said it appeared Mr M likely hadn't been living at his current address since 2017. I agree that the information we've been supplied with strongly indicates that's likely the case. Significantly, Mr M hasn't provided what I'd consider to be persuasive evidence to demonstrate otherwise, despite being given ample opportunity to do so.

Overall, I'm satisfied that Mr M ought reasonably to have known that he'd provided inaccurate information regarding his address history during his application. It's clear that he hadn't lived at his current address for the time he told Hitachi he had. It also seems likely that he'd lived at another address within the four years he'd specified – one which featured a number of entries on his credit file with adverse credit data.

In conclusion, I'm satisfied that the information Mr M gave Hitachi during his application was a material falsehood. And, given the clarity of the question asked by Hitachi, I think that Mr M likely provided that information deliberately, knowing it wasn't true. So, I think that meets the

required standard for a CIFAS marker to be registered and I therefore think that Hitachi has acted fairly by recording the marker.

Lastly, I'm aware that Mr M has mentioned that he thinks Hitachi ought to have clarified matters with him before recording the marker. He also says it didn't tell him the marker had been recorded. Even though there wasn't an obligation for Hitachi to have done either of those things, I accept it might have been preferable for Hitachi to have asked Mr M for his version of events before recording the marker. I don't think it would've made much difference if it had done that, because I think there's sufficient evidence to say that Mr M knowingly and intentionally provided Hitachi with inaccurate information.

### **My final decision**

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 January 2023.

Stephen Trapp  
**Ombudsman**