

The complaint

Mr H complains that esure Insurance Limited (esure) recorded his details on the Credit Industry Fraud Avoidance System (CIFAS) which he says resulted in him being unable to open a bank account. He'd like the fraud marker removed.

What happened

In March 2020, a motor insurance policy was taken out with esure in Mr H's name. The policy was for the period of March 2020 – March 2021.

To validate the policy, esure requested documents from Mr H. And esure says Mr H provided along with other documents a letter from a broker - who I'll call R - confirming Mr H's no claims discount (NCD). Following esure's enquiries with R regarding the NCD, R said the NCD contained in the letter had been altered and therefore wasn't genuine. Mr H's NCD was one year and not three years as stated in the letter.

Therefore, based on the information provided by R, in April 2020 esure advised Mr H by email that it had avoided the policy (cancelled it from the start) due to incorrect information being provided regarding his NCD. esure subsequently placed a fraud marker against Mr H on CIFAS.

But Mr H said he didn't take out the motor insurance policy and he believes he's the victim of identity theft. Mr H says at the time the policy was taken out he was homeless and was using a friend's address as a postal address. Mr H says he's tried to open a business bank account but says he was refused because of esure adding his details to CIFAS. As a result, Mr H raised a complaint with esure in June 2024.

In response esure said in 2020 its policy validations team asked Mr H for various documents which included proof of Mr H's NCD. And after making enquiries with R it confirmed the documentation was fraudulent. esure said although Mr H says someone had committed fraud in his name, it said it couldn't see how someone would be able to provide the documentation it had received unless it was Mr H or someone acting with his co-operation. It therefore said it was fair to record a fraud marker against his name, and it wouldn't be changing its decision.

Dissatisfied Mr H brought his complaint to this Service.

Our Investigator said she was satisfied esure had demonstrated they'd completed sufficient due diligence on the documents provided and it was reasonable of esure to decide the policy was purchased by Mr H, or with his co-operation. esure had provided evidence that they'd contacted R to validate the NCD and R confirmed although a certificate of NCD bonus had been issued, the legitimate version only included reference to one year and not three years NCD as provided to esure. Our Investigator therefore said she was satisfied esure had taken appropriate steps and had acted reasonably in placing the CIFAS marker. She therefore said she wouldn't be asking esure to remove the marker.

Mr H said he didn't agree with our Investigator and wanted to appeal. So, his complaint has

been passed to me to decide.

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 appreciate because of the fraud marker this has impacted Mr H's ability to open a business bank account. However, having considered all the information, I don't uphold Mr H's complaint. I'll explain why: -

Motor Insurance Policy

From the available evidence I can see a motor insurance policy was taken out with esure in Mr H's name for the period of March 2020 to March 2021. To validate the policy, esure's policy validations team requested Mr H provide certain documents. And these documents were the V5C, a bank statement, driving licence and proof of NCD.

The requested documents were provided to esure and I've considered the same given the allegations made by Mr H that he didn't take out the motor insurance policy.

Documents provided to esure

V5C

Whilst Mr H says he didn't take out the motor insurance policy with esure for the period in question, he hasn't said the vehicle insured under the policy wasn't his vehicle.

I've considered the V5C. The vehicle matches the vehicle insured under the policy with esure and gives Mr H's name and address as the registered keeper of the vehicle. The address on the V5C is also the address provided to esure when the policy was taken out.

Bank Statement

The bank statement provided relates to Mr H, with Mr H's name and address being shown with the details matching those contained within the V5C (as above) along with the policy documentation.

Driving Licence Number

A UK driving licence number is unique to an individual and can be located on the front of a photocard licence or by contacting the Driver and Vehicle Licensing Agency (DVLA). I'm satisfied for this information to be provided it would require being in receipt of the photocard driving licence or other documentation from the DVLA and therefore is information which would be otherwise difficult to obtain.

NCD Letter and Fraud Marker

I've seen the NCD letter from R dated December 2019 has an alternative address for Mr H to that contained on the other documents provided. But it's the contents of this document advising of Mr H's NCD, which has led to the fraud marker being added.

The letter provided to esure says Mr H had three years NCD. But following enquiries with R it advised the correct NCD should've been one year. R's letter had therefore been altered and was not genuine.

I appreciate there's a difference in the address provided for Mr H on R's letter compared with the other documents provided to esure. Mr H has said he was homeless and used his friend's address for correspondence purposes. I'm not however persuaded that a letter addressed to Mr H at a different address could've been obtained by a third-party without Mr H's knowledge. I therefore find it most likely R's letter was provided by Mr H or someone acting with his permission.

I also find based on R advising esure that the letter provided by Mr H had been altered to be more favourable to him, that it was reasonable for esure after cancelling Mr H's policy to add a fraud marker to CIFAS.

Notice of Cancellation and Email Address

esure contacted Mr H by email in April 2020 advising of its decision to avoid Mr H's policy due to fraud. From the available evidence I note the email address which was used to send Mr H notice of the cancellation was an email address esure had on file for Mr H. And further, that this email address was a valid email address for Mr H. I say this as from additional documentation Mr H has provided in support of his complaint, it shows that the email address esure used to notify of the cancellation was an email address Mr H was also using to communicate with other third-party's.

Following esure's email to Mr H in April 2020, I haven't seen from the available evidence Mr H raised with esure at the time that the motor insurance policy hadn't been taken out by him nor that he hadn't altered R's letter.

Overview

Based on the extent of the documents provided to esure I find on balance that these wouldn't have been obtained and provided by someone other than Mr H or, someone acting with his permission. The address for Mr H on his bank account and V5C match the address on the policy documents. And providing Mr H's driver licence number, which is unique, would've been extremely difficult without being in receipt of a photocard driving licence or documentation from the DVLA. I therefore don't find based on the available evidence that someone other than Mr H or someone with Mr H's permission took out the motor insurance policy with esure.

Taking the above into account I find esure have been fair and reasonable in adding the fraud marker following confirmation from R that its letter with details of the NCD had been altered. Confirmation of the cancellation was provided to Mr H at a valid email address for him and therefore he had notice of the cancellation and the reasons why. I appreciate Mr H will be disappointed as he's said the fraud marker has affected his ability to open a business bank account, but I don't require esure to do anything further.

My final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 October 2025.

Lorna Ball
Ombudsman