

The complaint

Mr O complains about a fraud marker that was reported in relation to a finance application with Volkswagen Financial Services (UK) Limited trading as Audi Financial Services (“AFS”).

What happened

As both parties are familiar with the circumstances of this complaint, I’ve summarised them briefly below.

Mr O said he found out that a fraud marker had been reported with Cifas when he applied for a new bank account in March 2025. He complained to AFS that the marker had been applied unfairly as he hadn’t applied for finance.

AFS said it was satisfied that he’d made an application through a credit broker, and it had met the burden of proof to load the Cifas marker due to falsified documents being supplied.

Mr O referred his complaint to the Financial Ombudsman. He said he’d been a victim of a scam which had caused deep distress and left him unable to maintain essential business banking. He said the loss of his business would lead to significant mental, physical and financial hardship, including the possibility of bankruptcy and dissolution of his companies, which prompted him to contact Cifas. He said that the application contained multiple inaccuracies and that he’d provided some personal details to a third party who assured him that he could source finance at a competitive price.

An investigator here reviewed the complaint and said that AFS had met the standard required to report the marker. She didn’t uphold the complaint.

Mr O disagreed. In summary he said:

- He was never contacted by AFS about its concerns. If he had been he could have supplied other evidence such as emails and CCTV. He only discovered the marker when he made an application for a bank account.
- He was unaware of the impact of the marker as his credit file was unaffected.
- He was advised that the police couldn’t take action after six months.
- He had always been a law-abiding person, and he supplied genuine documents to the third party. Any alterations were made without his knowledge and consent.
- The marker has had a devastating effect on his personal and business life.
- He stated that he had been a victim, and the delay in discovering the marker unfairly deprived him of the opportunity to present crucial evidence.

The complaint has been passed to me to make a 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.

When considering what is, in my opinion, fair and reasonable, I take into account relevant law and regulations; regulator's rules, guidance and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

I've read and considered everything both parties said, but I've summarised the key points here. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

AFS hasn't been able to supply a copy of the credit agreement as it was declined. However, that doesn't mean I can't consider Mr O's complaint or that I should automatically uphold it. It isn't unusual for some details not to be available if an agreement is declined.

But I can see that the application was intended to be a hire purchase or conditional sale agreement for the supply of a car, and I've no reason to think that this wouldn't have been a regulated credit agreement. In reporting the fraud marker, I think AFS was exercising lender's rights and duties under a regulated credit agreement. That's an activity that the Financial Ombudsman can consider complaints about.

Cifas members, such as AFS, must adhere to the standards set out by Cifas in its National Fraud Database Handbook.

In order for a member to satisfy itself that an adverse loading is warranted in the circumstances, Cifas requires that its members meet certain standards of proof. These include:

- That there are reasonable grounds to believe that a fraud or financial crime has been committed or attempted.
- That the evidence must be clear, relevant and rigorous.

This means that the member cannot load a marker based on mere suspicion. It must have clear and robust evidence to support that a financial crime has been committed or attempted, and that the person it intends to load the marker against had witting involvement in this act. It does not however need to go as far as proving this beyond all reasonable doubt. AFS wasn't required to notify Mr O of its concerns, or that it had loaded the marker.

In considering this complaint my role isn't to prove that Mr O was guilty of a fraud or financial crime. But rather to look at whether AFS acted fairly and proportionately in reporting the marker. And in the light of the evidence, I've been provided, whether it would be fair and reasonable to remove the marker now.

I've seen the evidence provided by AFS. This confirms that AFS received payslips, a P60, bank statements, a phone bill and a copy of Mr O's passport and driving licence, from the

broker in support of a credit application. The application also included detailed personal information, such as his national insurance number, telephone number and email address.

AFS confirmed that the balance on the bank statements and wages was falsified but the rest of the documents were genuine. Mr O is aware of the information included in the application as he contacted Cifas who supplied him with a detailed report. It would be unusual for a third party to attempt to take out an agreement for goods where there was a chance the fraud could be so easily uncovered. So, I think that AFS were right to consider this was a genuine application with some falsified information.

I've considered what Mr O has told us. He said that a third party persuaded him to provide personal and financial details in support of a car finance application. He said he supplied some information by email to the third party, but he was unable to provide any record of this. He pointed out that there were some inaccuracies in the application such as address and employment history. He hasn't yet reported the matter to the police because he's been told that they can't investigate more than six months after the event.

I can't confirm the accuracy of the advice he's been given about what the police can do, as it seems likely this would be a matter more appropriate for a criminal investigation given the seriousness of the allegations. I'd encourage him to report his concerns to the most appropriate law enforcement agency, or to get legal advice on pursuing the matter through the court. I understand he's said he could have provided more evidence if he'd known earlier. But AFS wasn't required to notify him of its concerns. I've listened carefully to what he's told us, but I don't have the power to conduct an investigation into the other party. Our service isn't able to compel witnesses and marshal sworn evidence in the way that a court can.

I note that most of the application details that I'm aware of such as name, address, telephone number and date of birth match Mr O. The application also contained genuine supporting documents and identification. That doesn't definitively show that Mr O made the application but looking at all the evidence, I think that is most likely.

I'd also like to assure Mr O that my findings are not intended to accuse him of committing fraud and that isn't my role. The requirement to report the marker is for AFS to retain evidence to show that there are reasonable grounds to believe fraud has been attempted. I can appreciate that Mr O doesn't agree but having considered this evidence, I'm persuaded AFS has demonstrated it met the bar to load a marker against Mr O's name. It follows that I won't be requiring AFS to remove the marker now.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 13 January 2026.

Caroline Kirby
Ombudsman