

The complaint

Mr A has complained that Zopa Bank Limited applied a fraud-related marker to his record and then didn't provide adequate compensation after removing this.

What happened

In January 2023 Zopa received an application from Mr A for a hire purchase agreement. They declined his application, and as they believed altered documents had been supplied in support of the application, they lodged a CIFAS marker on Mr A's record.

Mr A complained to Zopa in 2025 and was advised to raise this directly with CIFAS, the industry fraud database. After their involvement, Zopa agreed to remove the marker. Mr A was upset at the time it had taken Zopa to resolve his complaint. He felt the marker had been on his record for a length of time which had impacted his ability to obtain credit. He'd been denied a mortgage as well as a job opportunity and felt there was reputational damage.

Mr A brought his complaint to the ombudsman service.

Zopa told our investigator that they wished to offer Mr A £250 as they accepted the marker should never have been applied. Our investigator felt this was fair based on what had happened.

Unhappy, Mr A has confirmed he's looking for £5,000 in compensation because of the impact this has had on him. He's asked an ombudsman to consider his complaint.

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.

Firstly, it's worth confirming Zopa did the right thing by removing the CIFAS marker and offering compensation to Mr A. Their offer was for £250 which they believe was fair based on the error they'd made. I'm in no doubt that the CIFAS marker should never have been applied based on the evidence Zopa has shared with our service.

Mr A has provided copies of evidence to our service showing him being declined for employment in March 2023. It's clear that at that stage, Mr A was aware of a CIFAS marker, and that this had led to him being rejected for employment. However, there's nothing to show Mr A taking any action back then to get the CIFAS marker removed. I'm unsure why he did nothing further at this stage, particularly when Mr A believes this marker has impacted his ability to obtain credit and have other longstanding impacts.

When we consider cases, like Mr A's where a CIFAS marker has been placed in error, we consider what steps customers take themselves to mitigate the impact of a business's action.

Here I can see that Mr A didn't go to Zopa until May 2025 and ask for the marker to be removed. Neither has he been able to confirm to our service what may have caused this delay.

Although Mr A has told us he was rejected for credit during this period, I'm not sure that's the full story either. Whilst a lender did reject Mr A's credit application in May 2024, the evidence Mr A has shared shows that he did take out credit to enable a car purchase as I know he requested a settlement figure from that lender in August 2024.

I appreciate that a CIFAS marker can impact an individual and I don't dispute the impact this may have had on Mr A. However, based on the evidence I've reviewed, I believe that £250 remains fair and reasonable.

I won't be asking Zopa to do anything more.

My final decision

For the reasons given, my final decision is to instruct Zopa Bank Limited to pay £250 to Mr A.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 November 2025.

Sandra Quinn
Ombudsman