

The complaint

Mr K complains that Moneybarn No.1 Limited loaded a Cifas fraud marker against his name.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below. Moneybarn supplied Mr K with a used vehicle on a conditional sale agreement in November 2022. By March 2023 the agreement had been unwound, and Mr K had no further liability.

Mr K said he discovered a Cifas marker had been reported by Moneybarn, when a job offer was withdrawn in January 2025. He complained to Moneybarn that he'd suffered a loss of income, reputational harm and was rejected for loans and credit cards.

Moneybarn reviewed the complaint and agreed that it had incorrectly recorded the marker, which it removed in April 2025. It apologised and offered a payment of £100 for the distress and inconvenience caused. It issued a final response on this basis in June 2025.

Mr K referred his complaint about the Cifas marker to the Financial Ombudsman. He said that the offer of £100 wasn't sufficient as it didn't reflect the serious financial and personal impact that it had caused. He said that compensation ranging between £10,000 and £15,000 would be more appropriate.

An investigator here considered the complaint. She said that Moneybarn had agreed it had reported the marker in error and had agreed to remove it. She thought that a fair offer of compensation should be £650 in total.

Moneybarn agreed to settle the complaint in the way the investigator recommended. Mr K disagreed; he said that the compensation still didn't adequately reflect what had happened, and the loss of employment and income. 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 must 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 the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. 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 or inconclusive, 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.

Mr K entered into a conditional sale agreement for the supply of a car; that's a regulated credit agreement. In reporting the fraud marker, I think Moneybarn was exercising lender's rights and duties under a regulated credit agreement. That's an activity that the Financial Ombudsman can consider complaints about.

Moneybarn loaded a Cifas marker, but after Mr K complained it accepted that it shouldn't have done so and agreed it would be removed immediately. As Moneybarn has accepted it made a mistake I don't find I need to look into how or why the marker was reported. So, what's left to decide is whether the compensation is a fair and reasonable way to resolve this complaint.

Mr K has explained that the Cifas marker has had an impact on his employment, his ability to obtain credit and other opportunities and has caused emotional and reputational damage. I'm very sorry to hear about what's happened.

Mr K has said that he's been unable to work as a result of the marker. I've not seen any evidence that Mr K was already employed and asked to resign or had his employment terminated as a result of the marker. But I have seen evidence that Mr K had a conditional offer of employment from a financial services firm, subject to successful pre-employment screening.

Like our investigator I can't be certain that Mr K would have successfully been able to retain the employment he'd received an offer for. I'm also aware that employers in the banking and financial services sector in the UK conduct credit checks and other types of employment screening on potential employees. I find it likely that the financial services firm in question would also need to complete a credit check to assess whether the candidate had financial responsibility and to minimise the risk of financial misconduct. Mr K has provided a copy of his statutory credit report which indicates that he had defaulted on at least three accounts. So, although I've seen an email from the employer which confirmed that the conditional job offer had been withdrawn due to the Cifas marker, it also says that it was unable to complete the background checks, and it was unable to consider the application further. We'll never know whether further checks might have still led to the job being withdrawn, as it seems likely that the adverse information reported on his credit file wouldn't have been considered favourably, or whether he would have been able to maintain the employment. So, I can't say it is more likely that he's lost out financially solely because of the Cifas marker.

Mr K has also explained the impact of having applications for credit declined. He's not provided any specific evidence about applications that were rejected, or why. Ideally, I'd like to have seen something which shows that his applications would more likely be successful had it not been for the marker. This is important as the adverse information on his credit file would also likely to have affected any credit applications he made.

Cifas issues guidance to its members regarding the way in which they ought to use the information held within its database. This places expectations on the business relying on the information held to ensure it is accurate and relevant. It does not recommend that its members rely solely on the information held when carrying out reviews. Taking this into consideration, I can't hold Moneybarn wholly responsible for any actions taken by other businesses where they've relied on the fraud marker to adapt, withdraw or reject any applications from Mr K.

However, I do accept that Moneybarn's decision to load the fraud marker will have impacted his ability to manage his finances, and it did likely affect any applications that he made. I've also no doubt that a fraud marker would have been upsetting and caused him distress and inconvenience when he found out about it in January 2025. And it is likely to have caused a temporary loss of reputation while the marker was still in place. So, I think it is fair that Mr K is awarded an amount to reflect the distress and inconvenience he's experienced.

Deciding compensation is not an exact science. The difficulty here is that I haven't seen enough to say that the impact on Mr K means that I should increase the award from the amount that our investigator recommended. Thinking about the information on our website for awards of compensation for distress and inconvenience, that sort of award would fall into the range which covers situations where someone has experienced considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. I think Moneybarn's mistake had that sort of impact on Mr K.

I'm issuing a final decision to give Mr K the protection of a legally binding decision should he chose to accept it. I agree with our investigator's recommendations for broadly the same reasons and those that I've set out above. I think a payment of £650 in total is a fair and reasonable way to resolve this complaint. Mr K has confirmed that he's already been paid £100 by Moneybarn, so my decision is that it should pay a further £550.

I must be clear that Mr K doesn't have to accept my decision if he thinks he can get a more generous outcome. Then he'll be free to pursue the matter through the courts, after getting necessary legal advice.

My final decision

My final decision is that I uphold this complaint and direct Moneybarn No.1 Limited to pay Mr K an additional £550 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 February 2026.

Caroline Kirby
Ombudsman