

The complaint

Mr K is unhappy Volkswagen Financial Services (UK) Limited trading as Volkswagen Financial Services (VFS) has loaded a fraud marker against him for a motor finance agreement he says he didn't apply for. Mr K has been represented at times, but to keep things simple I'll just refer to Mr K.

What happened

Mr K discovered VFS had recorded information about him with Cifas, after his bank told him it would be closing his account. He says he applied for details from Cifas and discovered VFS had reported a marker for 'application fraud' after receiving an application in his name with altered bank statements.

Mr K denies making the application to VFS. He says he had applied for business loans a few months earlier and believes the documents he supplied for this purpose were possibly used by a fraudster to apply for the finance with VFS. Mr K adds that he doesn't need motor finance as he runs a car dealership. He complained to VFS in April 2025.

VFS asked Mr K to provide a selfie and copy of his driving licence so it could investigate the application further, but Mr K initially said he wouldn't share these, as he was worried about doing so. VFS then responded to the complaint in July 2025, saying it couldn't investigate further. Mr K later shared the requested documents with VFS after bringing the complaint to our service.

Our Investigator didn't uphold the complaint. He said VFS had verified the application with a photo of Mr K's driving licence and a video selfie. It had since compared the application documents to the ones Mr K provided – the licence was the same, and it thought the same person was in both selfies. VFS also conducted other verification checks including a credit file search and had sent the supplied bank statements to the originating bank, who confirmed they were altered to increase the total income. The Investigator concluded the application had most likely been made by Mr K or someone with access to the level of information VFS asked for, and so it had fairly reported the Cifas marker.

Mr K didn't accept the Investigator's findings. Mr K said there wasn't yet enough evidence to say who had applied and so it wasn't fair for VFS to report the matter to Cifas. He requested we direct VFS to share the full metadata for the identity documents it received as well as its internal investigation records. Our Investigator explained he didn't think it was necessary to ask for this, as the evidence he'd seen persuaded him VFS had acted fairly by reporting the marker with Cifas based on what it had seen at the time. As Mr K didn't agree, the case has been passed to me for a final 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.

Having done so, I agree with the outcome reached by the Investigator – and I'll explain why.

Mr K has made several detailed points in his complaint. I've considered everything he's said and all the information on the file. But in my decision, I don't intend to refer to everything or address every point made. I mean no discourtesy by this, instead I will focus on what I see as being the key outstanding points following the Investigator's outcome, and the reasons for making my decision.

Requirements to load a marker with Cifas

VFS reported a Cifas category 4 marker against Mr K after it received a motor finance application in his name with altered bank statements. As a member of Cifas, VFS needs to meet certain standards set out in the National Fraud Database Handbook in order to satisfy itself that it can make the loading. These standards include:

- There are reasonable grounds to believe that fraud or a financial crime has been committed or attempted.
- Evidence must be clear, relevant and rigorous.
- The conduct of the Subject must meet the criteria of one of the Case Types set out by Cifas.
- The Member must have rejected, withdrawn or terminated a product because of fraud, unless the member has an obligation to provide the product or the subject has already received the full benefit of the product.

In short, this means VFS can't apply a Cifas marker simply because it has mere suspicions of fraud. Instead, it needs to have clear, robust evidence to support a financial crime has been committed or attempted, and that Mr K was wittingly involved. However, I think it's important to stress VFS doesn't need to go as far as proving this beyond all reasonable doubt.

Has VFS fairly loaded the Cifas marker

My role isn't to make a finding on whether Mr K had committed fraud, and my decision isn't intended to accuse him of such. I'm only considering whether VFS has acted fairly when loading the Cifas marker and if it has done enough to demonstrate it met the requirements to do so. I do understand how upsetting this has been for Mr K though, and I'm sorry to hear how this has affected him.

I've reviewed the evidence VFS had when applying the Cifas marker and I've found the following:

- VFS received an application for motor finance in Mr K's name, with accurate personal details matching a credit file check.
- The applicant completed a customer verification process involving a video selfie and a photo of a driving licence. The person in the video selfie closely resembles the photo on the driving licence, which is in Mr K's name.
- The application included bank statements for an account in Mr K's name, which VFS submitted to the originating bank for cross-reference. The originating bank confirmed three payments on the bank statements had been altered to increase the total income paid into the account.

The information VFS gathered from the application supports that someone had altered the bank statements provided on the application. As Mr K agrees the statements Cifas has provided him show these altered amounts, there's no dispute that someone has changed them. I think the increase in the account income supports this was an attempt to commit a financial crime. This meets the criteria for the application fraud case type, as the application was made with false supporting documentation.

I think VFS had more than a mere suspicion of fraud and had tested the evidence by submitting the statements to the bank. The application contained the same personal details Mr K has confirmed are correct too, so I think it was reasonable for VFS to conclude he had made the application. As such, I think VFS can demonstrate it has met the standards required to load the marker to Cifas.

Mr K later sent VFS a recent selfie and a photo of his driving licence to compare to the ones it received. VFS has now reviewed these and says it is satisfied the same individual is in the video selfie it received and Mr K's own photo. It also says the driving licence it received is the same one Mr K has, with the same issue number and photo. I've looked at these images and I don't think VFS has reached an unreasonable conclusion based on the evidence it has seen.

I appreciate Mr K has provided a possible explanation for this. He says he applied for business loans a few months prior to the application with VFS, and he thinks the details he submitted for these were used by a fraudster to apply for the motor finance. Mr K has shared supporting evidence of the business loans he applied for. I accept it's possible Mr K's version of events could have happened – but as I've explained my role is limited to considering if VFS has fairly loaded the Cifas marker based on the available evidence. As VFS has gathered rigorous and clear evidence for its loading, I don't think this information from Mr K is enough to make it reasonably doubt its investigation.

Mr K says VFS should provide detailed metadata for the images it received in order to prove they were provided "live" during the application. I understand why Mr K says this is important, but I don't think this level of analysis was needed for VFS to load the Cifas marker. As I've explained, VFS doesn't need to prove beyond reasonable doubt that a financial crime has been committed, so I wouldn't expect this level of forensic analysis of the evidence submitted. Instead, I'd expect VFS to rigorously test what it's received, and I think it's done this as I've explained above.

Mr K initially didn't provide the photos VFS asked him for, so I think VFS acted reasonably when it rejected the complaint as a result. When Mr K did share the images, VFS reviewed them, but I can't see it then updated him on the outcome. I think VFS could've done more to support Mr K with his dispute and keep him updated with its investigations. I don't doubt it's been a very stressful time for Mr K. But despite VFS' actions here, I don't think it's fair to ask it to compensate him for the impact of the marker or its delays – as I think it's reported the marker fairly. Also, by this point, the complaint was already with our service, so I can understand why VFS might not have kept Mr K updated after this point.

Overall I'm persuaded VFS has met the standards required by members to load the Cifas marker based on the evidence it's seen so far. So, while I understand this will be very disappointing for Mr K, I won't be telling VFS to remove the marker now.

Other considerations

I understand Mr K has made a Subject Access Request to VFS and asked for further details of the application and its investigation – but he's yet to receive this information. He's also made a complaint to the Information Commissioner's Office about VFS' handling of the request. Mr K requested this data after our Investigator made his findings on the complaint. So, as Mr K's complaint about the data request happened after the events of this complaint, I won't be reviewing these points further. Mr K may be able to continue his complaint about this with the Information Commissioner's Office.

If Mr K is able to find new evidence to support his allegations, either from the data request or other sources, he may want to ask VFS or Cifas to review this further. But I think it's worth explaining if the evidence supported that Mr K didn't make the application himself, he likely wouldn't be eligible to bring a complaint about VFS' actions to our service. This is because there likely wouldn't be an eligible complainant relationship between Mr K and VFS.

I appreciate this puts Mr K in a difficult position if he finds enough evidence to persuade us that he wasn't a customer of VFS, but I wanted to manage his expectations. In any event, I hope VFS will work with Mr K to review any significant new evidence he can provide in the future and consider if it should remove the Cifas marker at a later date.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 February 2026.

Hannah Dunkley
Ombudsman