

The complaint

Mr M complains that Equifax Limited reported active Debt Management Programs (DMPs) on his credit file in relation to settled accounts.

What happened

Last year, Mr M contacted Equifax as a debt he had repaid was showing on his credit file as *being paid as part of a DMP*. Mr M explained that the information reported wasn't accurate as the debt had been repaid and no longer formed part of an active DMP.

Equifax contacted the lender that was reporting the information to check whether it could remove the reference to the DMP. Over the following months, various messages were shared and in November 2019 the lender gave Equifax permission to remove the reference to a DMP from the entry on Mr M's credit file.

Mr M also raised concerns about a credit card he had also settled which was showing as being part of an active DMP. Equifax contacted the credit card provider to check whether it could remove the information about the DMP but didn't get a response.

Mr M complained and Equifax responded to say that it can't amend information that is reported by a lender without its permission. Equifax advised that the active DMPs remained on Mr M's credit file because that was the information the lenders were reporting.

Mr M referred his complaint to our service and it was passed to an investigator. Mr M has told us he feels it's clear that the information reported was inaccurate as it's impossible for a settled debt to be subject to an active DMP. Our investigator thought Equifax had made reasonable attempts to contact the lenders involved and said it had dealt with Mr M's complaint fairly. Mr M asked to appeal, so his 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.

I can understand Mr M's frustration as he wants to ensure his credit file is accurate. And I also think Mr M makes a reasonable point when he says that it's not possible for a settled debt to be part of an active DMP. Whilst I understand my decision is likely to feel somewhat frustrating to Mr M, I haven't found that Equifax made an error in this case as it can only report the information supplied by the lenders.

I'll look at each of the debts in turn, starting with the loan. Mr M asked Equifax to amend the settlement date for the loan and remove the reference to an active DMP from his credit file. Equifax then contacted the lender to check whether it approved the changes.

Whilst the changes took several months to be approved by the loan provider, I haven't found that Equifax caused a delay. Equifax's emails asked clear questions and for the lender to

confirm it consented to the removal of the DMP information. The loan provider ultimately confirmed that the DMP information could be deleted and Equifax quickly took action to that end.

I can see that the situation took several months to resolve, but I'm satisfied Equifax amended Mr M's credit file once permission had been given.

Equifax also contacted the credit card provider and requested permission to remove the DMP information but received no response. Whilst credit reference agencies can't amend information without permission, we would expect them to contact the business involved and check whether it consents to amending the information being reported. I understand the credit card provider didn't respond, but I'm satisfied Equifax contacted it as I'd expect. And Mr M also had the option to following up with the credit card provider as well.

As I've said above, I do take Mr M's point that it's not possible for a settled debt to be part of an active DMP. Mr M says Equifax's systems should automatically remove any reference to an active DMP from a credit file once the debt is settled. But I can't tell Equifax to change its systems or the way it operates. I can see that two of Mr M's previous lenders continued to report active DMPs on his credit file despite the debts being settled. Ultimately, it's up to the businesses reporting information to ensure they do so accurately.

I'm sorry to disappoint Mr M as I can see how strongly he feels. But our service can't force a business to change the way it operates or how its systems work. I'm satisfied that Equifax had to get permission from the businesses reporting the active DMP before they could be removed from his credit file. As I think Equifax has dealt with Mr M's complaint fairly, I'm not telling it to take any further action.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 October 2020.

Marco Manente
Ombudsman