

The complaint

Mr N complains that Equifax hasn't recorded correct information on his credit file. He also says it required unnecessary personal information from him. He wants £300 compensation.

What happened

Mr N told us that when he tried to apply to Equifax for an online credit report in December 2019, he was asked to provide additional personal information which he thought was unnecessary. He also complains that when he'd earlier changed address this wasn't immediately reflected on all his accounts. Nor was his electoral roll registration kept up to date. He's also concerned that Equifax wasn't able to change his address with an information service provider, a business I'll call "C", which reports what information it (Equifax) is recording.

Equifax told us that Mr N's application on 24 December 2019 hadn't been processed as its system didn't identify it had sufficient information. Hence the request for additional items. But it said that it had later traced a previous application and was able to update his address without the extra information. It accepted that errors had been made and that due to a data mismatch not all of Mr N's accounts had been updated to his new address. It said it had taken steps to rectify this. And that it has offered Mr N £100 by way of compensation.

Our investigator thought that Equifax' offer of £100 compensation was in line with the awards we would typically make in similar circumstances. So he didn't think it need do anything else.

Mr N didn't agree with this outcome. He felt that the amount of time he spent and the stress he experienced warranted a higher amount than that offered. As it's not been possible to resolve this complaint an ombudsman's been asked to make the 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.

I understand that Mr N would be naturally keen to ensure that his personal credit file was maintained and recorded accurate and up to date information. And that he wasn't asked to provide unnecessary personal data. Also, that any information that he did provide was handled securely.

Mr N will be aware that I recently issued a decision on a complaint he made against a different business, which I referred to earlier as "C". That complaint involved some overlap of the issues to which this complaint relates. I explained in my earlier decision – and I confirm it here – that decisions must deal separately with the actions of individual businesses. And so even where complaint issues overlap separate decisions are required.

In order to fully explain this decision relating to Equifax, it may help to briefly summarise the relationship between the different businesses which are involved in the process which has led to Mr N's complaint.

Equifax is a credit reference agency (CRA). Financial businesses are able to report details of customer accounts to Equifax and / or other CRA's. Such information is then frequently used by prospective lenders to assess the creditworthiness of an applicant for a loan. I'm aware that Mr N has made a complaint against at least one financial business other than C about the way it reported his information to Equifax.

In addition, CRA's obtain information from publicly available sources such as electoral registers and the register of County Court Judgments. Such information is periodically updated by the compilers of those registers. But they don't have any direct role in determining when Equifax updates its records to reflect any changes.

CRA's record the information provided by financial businesses but aren't able to alter it without the permission of the relevant business. And there is an inevitable delay between a business reporting new information and CRA's processing that information and reflecting that change.

In Mr N's case he changed address in August 2019. And he states that he advised those businesses with which he had an account. That should have meant a fairly straightforward administrative process was followed to update his credit file. But Equifax has accepted that due to a mis-match of data not all of Mr N's accounts were immediately updated to display his correct address.

When Mr N tried to obtain an up to date online credit report, he was asked for additional personal information. Some of which he uploaded prior to finding out that Equifax had identified an earlier account and didn't require this information.

This service is not the industry regulator for data handling issues. Equifax has stated that it stored the information securely and has subsequently deleted that which it was not required to retain. That's what I would expect. But if Mr N has doubts about this, then he would need to direct them to the Information Commissioner's Office which deals with such matters.

It wouldn't be unreasonable for Equifax to seek additional information if it felt it hadn't sufficient to verify Mr N's details. But the error here was that the call handler either failed or wasn't able to identify from Equifax' systems that Mr N already had an account. So no other information should've been needed or requested.

Equifax explained that it wasn't able to itself change Mr N's address with C. Whilst this is frustrating, I don't think Equifax did anything else wrong – other than that which caused the delay in it updating its own systems. C is an information service provider – so it reports what it sees on Equifax records. Hence, if Equifax' updating of Mr N's address is delayed that will have a knock-on effect with what C reports.

Similarly, if C holds a different address for Mr N to that held by Equifax - and C seeks to obtain information from Equifax using the address it (C) holds - that would also probably cause accounts not to be identified correctly.

I've seen a credit report from April 2020 and that shows Mr N's electoral roll registration relating to his new address. This seems to have been updated from January 2020 and hopefully Mr N shouldn't experience further inconvenience over this.

In summary, I recognise that Mr N has experienced some unnecessary inconvenience. And I've considered the offer of redress made by Equifax. Overall, I think it represents a fair and reasonable resolution of the complaint. I take into account that I've not seen anything to show that Mr N has incurred any specific financial loss directly due to any error by Equifax.

I must also acknowledge that complaint handling is not itself a regulated activity. So I can't make any separate award for the way in which a complaint is handled in addition to that which relates to the subject matter of the complaint about the regulated activity.

I'm aware that Mr N spent some time on this matter, but I think that anyone seeking to progress such a complaint would recognise that it would involve some commitment of this nature. We don't tend to make awards for specific amounts of time and would not make that at a professional rate.

Putting things right

Equifax should pay £100 to Mr N in accordance with its earlier offer.

My final decision

Equifax Limited has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Equifax Limited should pay £100 to Mr N.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 20 January 2021.

Stephen Ross
Ombudsman