

The complaint

Ms J complains that TRANSUNION INTERNATIONAL UK LIMITED (TransUnion) reported incorrect data on her credit file.

What happened

In August 2020, Ms J discovered a default reported by a business I will refer to as “C” on her TransUnion credit file. Ms J didn’t recognise the debt and contacted TransUnion to say the individual’s date of birth didn’t match hers. Ms J said she’d moved in to the address associated with the debt a year after it was allegedly obtained.

C confirmed to Ms J that she wasn’t its customer and that the debt didn’t belong to her. Ms J disputed the information with TransUnion, but it rejected her dispute.

In 2021, TransUnion said that the incorrect data was as a result of an alias link created from data that it received in 2013 from a business I will refer to as “B”. TransUnion offered Ms J £50 to apologise.

TransUnion says that it wasn’t obvious that the problem with Ms J’s credit file was due to a data merge.

Ms J is unhappy with TransUnion’s explanation of how the data merge happened. She says that if the problems had been created by the alias link in 2013, why did it take until 2020 for the default to appear in Ms J’s name.

The investigator recommended that Ms J’s complaint be upheld, and that TransUnion should pay Ms J a total of £800 compensation. The investigator followed up his recommendation with a request to TransUnion to dispute another entry on Ms J’s credit file.

TransUnion hasn’t replied to the investigator’s recommendation, so the complaint has come 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.

Ms J says that she became aware of the incorrect debt on her credit file in August 2020 and disputed the default entry with TransUnion on several occasions. I can see from the evidence that Ms J has given to us that TransUnion rejected her dispute at least twice in 2020.

Ms J then complained to TransUnion in early October 2020. She explained the issue and attached copies of her driving licence, tenancy agreement and a letter from C. This letter recommended that Ms J *“contact the CRA’s again to question why any entries from us are appearing on your credit file as we have not provided your information to them – but only that of our customer”*.

Ms J says she didn't receive a response from TransUnion so chased again in December 2020 before complaining to this service. It wasn't until March 2021 that TransUnion managed to separate the incorrect data from Ms J's credit file. This was a period of more than seven months since Ms J had first raised her concerns.

Although the alias link may have been mistakenly added by in 2013, I agree with the investigator that TransUnion was responsible for then linking Ms J's profile with the third party.

I'm satisfied that TransUnion was given evidence of a data matching issue in August 2020. Ms J's date of birth was different to the one that C provided for its customer with the default. I consider TransUnion should've taken steps to put things right much more quickly than it did. And over time, the situation worsened for Ms J as more accounts were added to her profile.

Ms J explains the impact that this mistake has had on her. She'd recently been made redundant and now suspects this might have had something to do with the negative information on her credit file. Due to the nature of her work, she was concerned about applying for a new job with the default still on her credit file. Ms J says she couldn't obtain reasonably priced credit for a period. And has generally been very anxious about the possibility of third parties gaining access to her data as a result of the merge.

I agree with the investigator that it's not possible to link Ms J's redundancy with TransUnion's error and I can't say that prospective employers would have declined job applications solely due to the default. This means I don't make any award for loss of earnings. However, I can appreciate Ms J's sense of anxiety with the situation. She gave TransUnion reasonable and clear evidence of a problem with her data, but it continued to decline her disputes. Ms J had to spend time disputing the entry with C, before coming to this service to try and resolve the problem – leading to more frustration.

Overall, I find it reasonable to require TransUnion to pay more compensation than it previously offered. The investigator thought that £200 for Ms J's time spent sending emails, making calls and raising multiple disputes was fair – and I agree.

In addition, I consider it reasonable to require TransUnion to pay Ms J £600 for the upset and stress the situation has caused her over an extended period is reasonable – particularly given Ms J's concerns around her employment situation. For the avoidance of doubt, this means TransUnion should pay Ms J a total of £800. It doesn't also need to pay Ms J the £50 it had previously offered.

The investigator recommended that TransUnion should offer Ms J free fraud protection for the next two years. As TransUnion didn't respond to the investigator's recommendation, I don't know exactly what it can offer to Ms J.

I'm aware that it is possible to sign up for protective registration with Cifas, the UK's fraud prevention community at a cost of £25 for two years. If Ms J decides to do this, I would expect TransUnion to bear the cost on her behalf. If TransUnion can offer any additional services to help protect Ms J from fraud, it should let her know.

Ms J is concerned about an entry on her TransUnion credit file relating to a financial connection with a business I will refer to as "N". Our investigator asked TransUnion to raise a dispute, but I don't know if this has been done yet. I can't see that this formed part of Ms J's original complaint to this service, so I haven't considered it as part of this complaint. Our rules state that TransUnion should have the opportunity to try and put things right before we get involved. If this issue remains outstanding, I leave it with Ms J to raise it with TransUnion

before coming back to us if necessary.

Finally, I hope that TransUnion has now sorted the data matching problem out and that apart from the outstanding concern identified above, everything else is correct. If it isn't, I recommend that Ms J let TransUnion know.

Putting things right

To put things right, TRANSUNION INTERNATIONAL UK LIMITED should take the following steps:

- Pay Ms J £800 compensation;
- Explain to Ms J what fraud prevention measures it can provide and offer those at no cost to her if she wants to take them up; and
- If Ms J decides to apply for protective registration with Cifas, TransUnion should reimburse the cost of her first application.

My final decision

My decision is that I uphold this complaint. In full and final settlement, I require TRANSUNION INTERNATIONAL UK LIMITED to take the steps outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 4 October 2021.

Gemma Bowen
Ombudsman