

The complaint

Mr M has complained that TRANSUNION INTERNATIONAL UK LIMITED were showing a default that should have fallen off his credit file.

What happened

Mr M went through an insolvency that started in 2015. As part of that, he had a credit card default. The default should have fallen off his credit file in April 2021, but Mr M's credit card company had recorded it incorrectly, so it was due to stay on until April 2022 in error.

Mr M reported this to TransUnion via a credit file checking website. In August 2021, TransUnion told the website the account was no longer present. But it continued to show on Mr M's file. Mr M had to raise the issue again. TransUnion disputed things with the credit card company on his behalf, and got the entry removed in October 2021.

Mr M says that in the meantime, he was prevented from buying an investment property as he reckoned his mortgage application would be rejected, so he'd pulled out. He wants compensation for the loss of profits he estimates to be around £80,000.

Our investigator looked into things independently. They explained the credit card company were responsible for the wrong entry and any resulting losses, and that in any case the losses Mr M had set out were too speculative. They did find that TransUnion were responsible for a relatively short delay in getting things sorted out, and awarded £100 compensation for that.

Both sides didn't agree. TransUnion felt it was unfair for them to pay compensation when the wrong entry was the credit card company's fault. Mr M felt TransUnion were responsible for him being unable to buy the property.

The complaint's been passed to me to decide.

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.

TransUnion were not responsible for the incorrect default entry. They do not own the data on Mr M's credit file – it is the lenders providing the data who own it. So in this case, it is Mr M's credit card company who owned the default entry, it is the credit card company who reported the entry incorrectly, and so it is the credit card company and who bear the primary responsibility for that issue.

With that in mind, it would not be reasonable for me to hold TransUnion responsible for any problems Mr M had in getting a mortgage due to the credit card company's error. Mr M's complaint would be better directed to the credit card company there.

With that said, even if I did think TransUnion were responsible for Mr M's potential losses, I agree with our investigator that the losses he's set out are far too speculative. For example, I note that Mr M never actually applied for the mortgage or got declined – he simply thought he *might* get declined, and didn't go ahead. But I can see that his decision in principle was already based on searches of his TransUnion data, so the mortgage provider should've already seen the default before it made that decision. Indeed, this was a satisfied default for an amount that was not especially large, from over half a decade ago. So there was every chance the mortgage would have still gone ahead on those terms regardless of the default.

Or to look at things another way, a decision in principle is not a mortgage offer or guarantee. So even if the default had not been there anymore, the provider may well have changed their mind and decided not to lend on those terms regardless.

The point is, I've got nothing to substantiate that the default was a significant factor here. And of course, there's no guarantee that the purchase would've gone through, or that the redevelopment would've gone to plan, or that the estimated costs would substantially reflect the actual costs, or that the subsequent sale would go through or at a particular price – and so on.

In order to award the compensation Mr M is looking for, I'd have to be able to say that, *but for* the default, he would've made around £80,000 profit. But there's nothing to substantiate that the default was even a key factor here at all, and there were plenty of other things that could have gone wrong and prevented his plan or affected his profits. So even if TransUnion *were* responsible for the incorrect entry on Mr M's credit file, I could not fairly award such compensation here – it's far too speculative.

Of course, as I said before, TransUnion were *not* responsible for the incorrect entry. That was the fault of the credit card provider who made the entry. So TransUnion are not fairly responsible for what happened with the mortgage in any case.

What TransUnion *are* responsible for is a delay in resolving things. In the August, they told the file checking website that the incorrect entry had been removed when it had not. This caused a delay in getting Mr M's credit file fixed. This, in turn, caused Mr M some trouble and upset as he was trying to sort things out.

When a business gets things wrong, we often tell them to pay compensation for non-financial losses such as stress and inconvenience – to acknowledge their error and the impact it had. So while the credit card provider may have been responsible for the error on Mr M's credit file, it's fair for TransUnion to pay some compensation for the trouble and upset they caused in delaying things.

In terms of the amount of compensation, it's worth bearing in mind that we're here to resolve complaints informally, not to punish businesses or issue fines. And we have guidelines about what levels of compensation to award. Taking everything into account, including the relatively modest length of the delay, I agree with our investigator that £100 is fair to compensate Mr M for the delay TransUnion caused.

My final decision

For the reasons I've explained, I uphold Mr M's complaint in part, and direct TRANSUNION INTERNATIONAL UK LIMITED to pay him £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 April 2022.

Adam Charles
Ombudsman