

The complaint

Mr M has complained about TRANSUNION INTERNATIONAL UK LIMITED reporting an account as outstanding that was settled in an insolvency.

What happened

Following his discharge from an insolvency, Mr M's accounts were marked as settled, except for an account ending -907, which continued to show as open and active on his credit file despite being included in the insolvency.

Mr M contacted the three credit reference agencies. Two of them updated his file to no longer show this account as being open. But TransUnion did not.

TransUnion raised disputes with the lender, who said they thought they weren't even reporting this account. TransUnion felt this meant the account was reporting correctly. They told Mr M to deal with it himself as they felt they'd done what they had to.

Our investigator looked into things independently and upheld the complaint. They didn't think TransUnion had been helpful. They pointed out that the lender had effectively said that the account shouldn't still be reporting. They recommended that TransUnion take the needed steps to get the entry corrected on Mr M's file, and pay him £200 compensation.

TransUnion didn't agree. They claimed that the lender later told them the account was still outstanding, though TransUnion didn't provide any evidence of this even when pressed. They felt they'd done the minimum they were required to and shouldn't be expected to do anything more.

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.

To clarify, this complaint is about the account ending -907. From what both sides have shown us, TransUnion have been incorrectly reporting that account as open and active despite Mr M's completed insolvency. I am aware that there was another account with the same lender ending -245, which was marked as settled. This complaint is about -907.

I don't agree with TransUnion that it is enough for them to only do the bare minimum. They should still be treating customers fairly, which often means doing more than just the bare minimum. And in any case, I don't think they really did what they were supposed to here.

From what TransUnion have given us, the lender did not confirm that the data as it stands is accurate. In fact, they effectively did the opposite. The lender said they thought they weren't even reporting that account at all. So given that it was still showing as open and active, and given that the lender seemed to think it shouldn't be showing at all, and given that TransUnion had confirmation of Mr M's successful discharge from insolvency, it should have been very clear to TransUnion that the entry was incorrect. And so TransUnion should have followed up on that instead of just telling Mr M to sort it out himself.

It was clearly unreasonable that TransUnion interpreted the lender's response to mean that the entry was correct. It also led to unnecessary confusion and frustration, as their final response to Mr M was then rather nonsensical in places.

TransUnion now say they got a later response from the lender, saying that the account was indeed outstanding. But they never mentioned this before, and it's not in the record of the disputes that they sent us. And they've declined to provide any evidence of this later response, despite multiple requests. It also seems unlikely the lender said this given what they said before, given that as far as I can see this account would have been dealt with in the insolvency, and given that I understand the other two credit reference agencies corrected their entries with no trouble. So I put no weight on this new allegation.

It seems clear that TransUnion gave Mr M some really poor service here. They need to put that right. That will involve them working with the lender to correct their entry. It also means they should pay compensation, to acknowledge their errors and the impact they had.

In terms of the amount of compensation, it's worth bearing in mind that we're not here to fine or punish businesses. And while I understand Mr M had some trouble getting credit, I've not seen anything to indicate it was mainly due to this account. Indeed, his recent insolvency would tend to be a much more significant factor.

But it's likely that TransUnion's failure to help correct the error had some negative impact on Mr M's file, and I can certainly see that they've caused him unfair trouble and upset while he's tried to sort things out. So I agree with our investigator that £200 compensation is fair.

Putting things right

I direct TRANSUNION INTERNATIONAL UK LIMITED to:

- Get the entry for account ending -907 corrected; and-
- Pay Mr M £200 compensation.

My final decision

For the reasons I've explained, I uphold Mr M's complaint, and direct TRANSUNION INTERNATIONAL UK LIMITED to put things right in the way I set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 March 2022.

Adam Charles
Ombudsman