

The complaint

Mr F complains that TransUnion International UK Limited merged his credit file with a third party's.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Mr F has explained that in 2020 two credit limits for credit cards he holds with his employer were substantially reduced. In early 2021 another business reduced a credit card's limit by around £6,000.

Mr F later found that his details had been merged by TransUnion with a third party of the same name. The third party had adverse credit, including credit cards with Mr F's employer and a County Court Judgement.

After Mr F raised his concerns with TransUnion it took steps to correct his credit file and apologised. Mr F went on to refer his complaint to this service and it was passed to an investigator. The investigator upheld Mr F's complaint and asked TransUnion to pay him £150 for the distress and inconvenience caused by its actions.

TransUnion accepted but Mr F asked to appeal. Mr F said that whilst the error had been resolved, his available credit had reduced by around £15,000 without any guarantee he'll be able to obtain the same limits again. Mr F also pointed out he holds two credit cards with his employer and that its decision to reduce his credit limit on both (totalling around £10,000) had caused significant levels of embarrassment and inconvenience. Mr F further explains that he has a public role that requires him to ensure he has no adverse credit.

Mr F didn't agree the £150 compensation fairly reflected the impact of TransUnion's mistake. As a result, his complaint has been passed to me to make a decision.

What I've provisionally 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.

All parties broadly agree about what happened in this case. I've seen the TransUnion credit report that contains the wrong information and it has adverse credit, including a CCJ, on it. Mr F has explained that due to the incorrect entries, his creditors substantially reduced his credit limit. I can see that Mr F's available credit card limits were reduced by around £15,000. Whilst Mr F wasn't using those limits, I think it's reasonable to say the businesses involved could well have taken that step in response to the incorrectly merged information on his credit file. The corrected TransUnion credit report shows Mr F didn't have any adverse credit in his own name.

I need to decide how to fairly resolve Mr F's complaint. Mr F says he doesn't agree the compensation of £150 fairly reflects what happened and I agree. In Mr F's case, he works for a business that provides credit cards and has two accounts with them. Mr F has pointed out the adverse credit reported on his credit file could've caused problems at work and was very embarrassing. And whilst I understand the issues were corrected, I can appreciate the level of distress caused to Mr F was higher as his credit card provider is also his employer.

Mr F has also explained he holds a public role that means he can't have adverse credit. Again, I can understand why having someone else's adverse credit shown on Mr F's credit file would've been particularly worrying for him.

I'm pleased the issue was corrected but I don't think the current award of £150 fairly reflects how the situation impacted Mr F. To resolve Mr F's complaint I intend to increase the compensation to £350 in recognition of the distress and inconvenience caused. In my view that figure more fairly reflects what happened and how Mr F was affected.

I invited both parties to respond with any further comments they wanted me to take into consideration when deciding how to resolve this complaint. Mr F confirmed he was willing to accept. We didn't hear back from TransUnion.

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.

As neither party has supplied new information for me to consider, I see no reason to change the conclusions I reached in my provisional decision. I still think Mr F's complaint should be upheld, for the same reasons. As a result, I'm going to proceed in line with my provisional decision and uphold Mr F's complaint.

My final decision

My decision is that I uphold this complaint and direct TransUnion International UK Limited to pay Mr F £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 March 2022.

Marco Manente
Ombudsman