

The complaint

Miss S complains that Experian Limited (Experian) merged a third party's details with hers adding them on to her credit file.

What happened

Around May 2021 Miss S was declined an application for credit and was told by the lender to check her credit file. In June 2021 she asked Experian to provide with a copy of her credit report, when she received it on 15 June 2021, she noticed it contained information that wasn't hers. She complained to Experian on 27 June 2021.

Experian responded to Miss S, apologising for the error and explaining that her details and the third party's details were both very similar and their system hadn't been able to tell them apart. They confirmed the data had now been removed and paid Miss S £75 in compensation for the error.

Miss S wasn't satisfied with this response and so brought her complaint to this service. She told us the impact this mistake had had on her over a number of years. The investigator that looked into things felt Experian should increase its compensation offer to £200, as this was in line with what we'd expect.

Experian agreed to the increase in compensation. But Miss S didn't agree, she didn't think it went far enough to make up for the impact the mistake had on her life, both physically and mentally. The matter has now 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.

There is no dispute that Experian incorrectly recorded a third party's data on Miss S' credit file. My understanding is that this has now been corrected - so I won't be considering this point further or making a finding on it.

Miss S has also said that Experian failed to protect her personal data and breached GDPR and as such it should pay a hefty fine. I must tell her that it's the role of the Information Commissioners Office (ICO) to make findings about this not the role of this service, and so I won't be considering this or making a finding on it.

The focus of my decision will be to consider what is fair compensation for the error Experian made. In order to do this, I've considered what Miss S has told us about the impact the error has had on her. She has told us that she has been declined for credit in the past, and that this has caused her stress and other health issues. She has provided evidence to support what she has said.

I appreciate that being turned down for credit would have been disappointing, and extremely stressful as it meant Miss S wasn't able to do things she wanted to do. However, for me to

be able to say this is Experian's fault I would need to be sure the sole reason for the declined credit applications was due to Experian's error. This is because lenders take into account a whole spectrum of information before agreeing to lend and so I'd need to be satisfied that no other factors were involved. And I can't say that I am, because although the letters she has provided from lenders say for her to check her credit file, they don't give a specific reason as to why they turned down the lending. Having said that I do believe the error would have been at least a contributing factor.

Miss S has told us that her inability to obtain credit because of this error has caused her to have various health issues. The evidence is provided to support this show that her health issues began before 15 June 2021, when she found out about Experian's error. So, I can't fairly say the error is the cause of Miss S' health issues. Having said that I do accept that is likely it did exacerbate them.

When thinking about the overall impact I've thought about the inconvenience suffered by Miss S and the health issues she has suffered, I've also considered that Miss S has told us she has been refused credit over a number of years, but only checked her credit report in June 2021. Although, I can't say when the error happened as Experian doesn't have any copies of her credit report dating back to earlier applications, so the error may have only been a recent one. I think it fair to say had she checked her credit report when she was refused credit in earlier years, the impact of the error may have been reduced.

I've also taken into account that Experian put things right very quickly once it was aware of the error. Miss S complained on 27 June 2021, and Experian had put things right by 8 July 2021. So, it took the little over a week to make sure all of the information on Miss S' credit file was correct.

Having considered everything I'm satisfied that £200 is fair compensation to put things right in the circumstances.

I understand Miss S strength of feeling about this matter and know that she will be disappointed with this outcome. But my decision ends what we – in trying to resolve her dispute with Experian – can do for her.

Putting things right

To put things right, Experian should pay Miss S £200 in compensation for the impact it's error has caused her. It is entitled to deduct any compensation payment is already made to her from this amount.

My final decision

For the reasons set out above, my final decision is that I uphold Miss S' complaint about Experian Limited. And I now require it to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 10 October 2022.

Amber Mortimer
Ombudsman