

The complaint

Mr G has complained that Experian Limited incorrectly showed a financial association between himself and someone with an outstanding county court judgement (CCJ).

What happened

Both sides are most familiar with the case, so I'll summarise things in brief.

A bank registered an incorrect financial association between Mr G and a family member. Experian displayed this association on Mr G's file.

In April 2021, the relative had a CCJ registered against them. In August 2021, Mr G looked for a mortgage and was turned down at the Decision in Principle stage. He found out about the financial association with his relative, and complained. Two days later, Experian removed the financial association, and they offered Mr G £50 compensation. A week after that, Mr G resumed applying for mortgages, but continued to be declined. In February 2022, he got a mortgage offer.

Mr G says that had it not been for the false financial association and the family member's CCJ, he would have been granted the mortgage in August 2021. He explained that since then, he had to live with his partner's relative far away from work. He's asked for compensation for his rent, storage, and travel costs, and for the added strain.

The complaint's been passed to me to decide.

I sent Mr G and Experian a provisional decision on 6 June 2022, to explain why I thought the complaint should be upheld in part. In that decision, I said:

I understand that in the past, Experian mixed up a different relative's data with Mr G's. That was a different incident to this one, and was addressed in a final decision in 2019. I cannot reconsider what was already dealt with in another ombudsman's final decision. So I won't make any findings on that other incident. In this decision, I can only deal with the financial association with this particular relative and the events that followed.

When it comes to who's responsible for this incorrect financial association, I can see it was a bank who actually registered it. So they might bear some responsibility here. Of course, Experian also got things wrong by displaying the association, as it was clearly in a different name and address to Mr G's, and they had their own responsibility to report things correctly. Experian have accepted that they made an error here.

When a business gets things wrong, we look at the impact of the error to think about how to put things right.

Mr G says that had it not been for the association to his relative, he would have been granted the mortgage he applied for in August 2021. I can certainly understand his thinking, as there's a strong likelihood that that mortgage company checked his financial associations, and if they did then it's likely that an association's CCJ would have had some effect. Mr G says that his mortgage broker and the lender have both confirmed to him that the family member's CCJ was the sole reason for the rejection. But as things stand, he's not yet provided any evidence of this.

However, even if I accept that the relative's CCJ caused Mr G's Decision in Principle to be a decline, that doesn't necessarily mean that the lender would have granted him the mortgage but for the CCJ. A Decision in Principle is just that – an indication of what the lender might be willing to lend in principle. It is not a guarantee that they will actually grant a specific mortgage. Indeed, I can see that in October 2021 Mr G had an accepted Decision in Principle from a different lender, but that mortgage did not then go through. So he's aware that it's normal to get a positive Decision in Principle but not secure an actual mortgage.

Even once the relative's association was removed from Mr G's file, he still had a large number of negative factors on his file, and his credit score was classed as poor. And I can see that after the relative's data was removed, Mr G applied for a number of mortgages but was repeatedly turned down. So it seems very likely that Mr G would have been turned down for the August 2021 mortgage in the end, too. Indeed, if the relative's CCJ really was the only reason that Mr G was turned down for that mortgage, then it is very difficult to see why his broker didn't just explain the mistake to the lender and then reapply once the relative's data was removed just two days later. The fact that Mr G never successfully reapplied for that mortgage tends to suggest that the lender was not willing to grant it even without the relative's data.

Then even if I accept that Experian caused Mr G to get rejected for that mortgage, the fact is that Experian corrected the erroneous financial association just two days later. And Mr G was able to resume applying for mortgages just nine days later. Past that point, Mr G's troubles in getting a mortgage were not because of Experian or his relative's CCJ. He was getting turned down on his own merits. So even if I did think Experian caused his initial mortgage decline, I could only hold Experian responsible for nine days' worth of delay at the very most.

Turning to the issue of costs, I would only tell Experian to refund costs they were directly responsible for. And again, at most I could only see them being responsible for nine days' worth of delay in Mr G applying for mortgages. But the costs Mr G have sent us are all dated later on. For example, he's given us a storage contract from late October 2021, crossing charges from November 2021 onwards, and rent payments from December 2021 onwards. But as I explained above, by those points Mr G's file had been corrected for some time and any issues he was having getting a mortgage were no longer Experian's fault. I do realise that this will come as a real disappointment for Mr G, though it is not my intention to disappoint him. But based on what I've seen so far, I cannot fairly hold Experian liable for the costs he's listed.

Of course, I do understand that finding the incorrect financial association would've been most distressing for Mr G – not least as he was trying to buy a home, which is already a stressful time. And I accept it's likely that he may have incurred some extra costs by having his mortgage application process delayed by a few days. So I don't think that the £50 compensation Experian offered is quite enough. Though I've also kept in mind that Experian acted quickly to sort things out once they were aware things had gone wrong, and that we're not here to issue fines or to punish businesses. Taking into account our guidelines for compensation, I currently think £200 in total would be fair to put things right.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 4 July 2022. Experian agreed to pay the additional £150 compensation on top of the £50 they'd already paid. Mr G didn't add anything further.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

My final decision

I uphold Mr G's complaint in part, and direct Experian Limited to pay him £200 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 2 August 2022.

Adam Charles
Ombudsman