

## **The complaint**

Miss P has complained that Equifax Limited recorded incorrect information on her credit file, which impacted her buying a home.

## **What happened**

In December 2021, Miss P was looking to move home, but was declined for a new mortgage with her existing lender. The lender had checked her Equifax file, so she checked it too. She found that Equifax had recorded her address wrong and so key information was missing, like her credit accounts and electoral roll data.

Miss P complained, and gathered a large amount of information for Equifax to help them fix her file. A few days later, they had amended her address, and her credit accounts and electoral roll information were on her file. They then got the mortgage lender to remove the hard search. Equifax apologised and offered Miss P £120 compensation.

However, Miss P said she was facing an early repayment charge of over £700, as she was now going with a different lender to the one she used for her existing mortgage. She felt Equifax had been unhelpful, she'd had to do a lot of work, she'd lost a buyer, and she'd had sleepless nights.

Miss P also disputed a past inactivity marker on a current account, a soft search, and information on the customer-facing dashboard. Equifax raised disputes on her behalf, and explained that only Miss P could see her soft searches or the dashboard.

Our investigator looked into things independently. They spoke to the existing mortgage lender, who confirmed they'd revisited the application after Equifax fixed the address, but the outcome was the same. They also confirmed that it was Miss P who decided to change lender. So our investigator didn't think Equifax needed to cover the early repayment charge. They did think Equifax should offer a further £100 compensation – bringing it to £220 total – for all the stress they'd caused.

Miss P didn't agree. She felt £400 compensation would be fairer given the number of errors, and given the effort she'd put in. She asked for her case to be reviewed afresh, so 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.

I can completely understand why this matter has been so stressful for Miss P, and why she then complained. Being in a house buying chain is stressful enough at the best of times, so having one's credit file be incorrect will inevitably add to that.

With that said, it's important I clarify what I've found Equifax to be responsible for.

For example, I understand that Miss P was unhappy with an "N" marker for one month on a current account. I should explain that this marker simply means the account was not being used during that month. It was not a missed payment marker as she thought, and was unlikely to have had a significant effect. More importantly, from what I can see the marker was added by that bank, not by Equifax, and it was that bank who ended up changing it. And I cannot fairly hold Equifax responsible for that bank's error.

Similarly, I understand that Miss P was unhappy with a soft search from a debt collector. But it looks like that soft search was valid, not an error. And unlike hard searches, soft searches do not show up on credit checks and would not have affected Miss P's mortgage application at all anyway. They're just for Miss P to see, so she can view a record of who's been looking at her file. So there's nothing for Equifax to compensate there.

And while Miss P's dashboard mistakenly said she had missed payments, that dashboard is also something only Miss P can see. Lenders don't see the dashboard, they see the raw data on one's credit file. So again, this won't have affected her applications at all. It was just an error with the customer-facing part of the website.

Of course, all parties accept that Equifax made an error in recording Miss P's address wrong, meaning her credit file was missing lots of important information.

In terms of how this affected Miss P, I can see that her mortgage lender revisited her application after the address data was fixed and her accounts and electoral roll information were showing on her file again. And they still found it was a decline. Miss P also says they told her it was highly likely to decline even after her file was fixed. And Miss P then chose to go with another lender of her own accord. So it seems most likely that even if Equifax had never got Miss P's address wrong, she still would have needed to go with another lender, and still would have paid the early repayment charge. So I cannot fairly hold Equifax responsible for the early repayment charge in this case.

I do find that Equifax are responsible for the distress Miss P felt in finding her credit file was so wrong, for the time and effort she put in to help them fix it, and for her related call costs. I understand this matter caused Miss P some serious stress, again not least given the context of the home buying chain.

I've also kept in mind that – while in part thanks to Miss P's efforts – Equifax did act quickly to fix the errors they were responsible for, and to raise disputes with the other businesses. Not least given this was over the new year period. Indeed, the delay was only a few days, and given the bank holidays, the home-buying process would've been unlikely to proceed much during that time anyway. I'm also glad to see that when the mortgage lender initially declined to remove the hard search, Equifax didn't take no for an answer and pursued the lender until they agreed to remove it. And I've kept in mind that we're here to resolve complaints, and not to punish businesses or to issue fines.

Taking into account all the circumstances of this case and our guidelines for compensation, I agree with our investigator that £220 is fair to put right what Equifax got wrong here.

**My final decision**

For the reasons I've explained, I uphold Miss P's complaint in part, and direct Equifax Limited to pay her £220 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 13 September 2022.

Adam Charles  
**Ombudsman**