

## **The complaint**

Mr S complains that the service he was provided by Equifax Limited (Equifax) was below the standard he expected, when dealing with an error on his credit file.

## **What happened**

Mr S says that in September 2021 he and his wife applied for a loan but were declined. He says the lender advised them to contact credit reference agencies (CRA) to see what was reporting on their credit file.

Mr S says he opened an Equifax membership to check his report and discovered his credit score was low. There were a couple of reasons that pointed towards his score being low, they were:

- A third party's information had been linked to his credit file in error
- It appeared he had two addresses on his credit file

However, Mr S had no debts himself and all of his payments for bills etc were up to date as he paid them all by direct debit.

Mr S raised these issues with Equifax. It took some time in getting back to him but did eventually give him a response. It removed the third-party details from his file by adding a notice of disassociation to the file.

It also explained that while some businesses were reporting his address as it is on the electoral register others were reporting it in a different format, making it seem as if he had two addresses, a main one and a linked one. Experian explained that this can affect the credit score as lenders like to see that customers have all of their accounts registered at the same address. It suggested that Mr S could ask the businesses in question to update their records to show his address in the same format as the electoral register and this may help.

Equifax offered Mr S £200 compensation for the error and the time it took to put things right. It also told him that his credit score had improved and was now showing as 854. A few hours later Mr S got a notification that his credit score had changed again and was now 685. Mr S didn't think this was fair and he refused the offer of £200. As he didn't think Equifax had done enough to put things right.

He asked for his Equifax membership to be cancelled and brought his complaint to this service. In addition to the points above he told us that despite Equifax confirming his membership was cancelled it had continued to take the monthly subscription from his account.

He also said that he had received in excess of 180 alerts saying there had been changes to his credit file, but he says when he checked he was unable to see that anything had changed. He said this had caused him a great deal of worry.

Mr S said he had had similar issues with another CRA and in contrast to Equifax it had dealt with the issues swiftly and corrected his file satisfactorily.

Our investigator looked into matters, he asked Equifax about the cancellation, and it agreed it should have cancelled Mr S' membership earlier and so it back dated the cancellation and refunded £39.49 to his bank card.

The investigator didn't think Equifax needed to do anything other than this as he felt the £200 it had already offered was fair in the circumstances. In summary he said:

- Equifax have now corrected the information on Mr S credit file and while Mr S may feel this information affected credit applications, there was no evidence to support this.
- It is not for this service to tell Equifax how to calculate the score, only to see if there has been an error in its calculations – there is nothing to show there has been. He went on to explain that the credit score number is not seen by lenders – they only see the information recorded on the report.
- The updates Mr S was receiving was part of the service provided under his membership. The updates are sent each time the account is logged into as well as anytime anything on the credit file changes. The updates had not been sent in error and so although Mr S wasn't happy with the volume of them Equifax hadn't done anything wrong in sending them.

Mr S disagreed and so the matter has 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.

Having done so I've reached the same outcome as the investigator and for broadly the same reasons, I'll explain.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. However, I've given careful consideration to all of the submissions made before arriving at my decision.

### **Third party information**

There is no dispute that there was information recorded on Mr S' credit file that related to a third party. Nor is there any dispute that Equifax didn't react as quickly as it should have in assisting Mr S in getting this removed when he raised the issue with it. I have seen evidence that shows Equifax has placed a notice of disassociation on Mr S' file and the information is no longer there. So, I'm satisfied this issue is resolved.

### **Credit score**

Mr S has told us that he is unhappy that his credit score was low and thought this would be resolved when the third-party data was removed from his file. This appeared to be the case as in its final response letter Equifax told Mr S his score had increased, but within a few hours he says this had decreased again. I appreciate that Mr S thinks this was unfair, and

that Equifax must be doing something wrong here, but I can't say that's the case- I'll explain why.

Credit scores are calculated using algorithms and each CRA sets its own criteria for scoring. Setting the criteria is part of the business' internal running process. This office does not have the authority to interfere with this or step in and ask for the internal processes to be changed.

I understand that this has been a source of great frustration for Mr S, and I do understand his point that another CRA has resolved his issues quickly and his credit score with them is showing as a much higher number. But, for the purpose of this case I can only consider what Equifax has done and I haven't seen any evidence that his score has been calculated incorrectly or that Equifax has made any errors here. So while Mr S doesn't agree with the score, I can't fairly ask Equifax to do anything different here.

Equifax has said that Mr S's score could be adversely impacted by the way his address is displayed by different businesses, as explained in the background above. It has also given him a possible solution for this – in that he could contact those businesses and ask them to update how his address is displayed. I don't think that's an unreasonable thing for it to suggest and it may resolve some of the issues for Mr S.

I would like to reassure Mr S though, that the score itself (as in the number) is only visible to him, not credit providers. The score is intended as an indicator for customers to be able to gauge how credit providers might view them, but the number itself will not have any direct impact on his ability to obtain credit. Credit providers can only see the information contained in the credit file – so all the things Mr S mentioned will be visible, such as, he isn't in debt and pays his bills on time.

## **Updates**

The membership that Mr S signed up to, includes update emails, these are sent each time there is any change to his credit file. Changes include any searches carried out on him including soft searches, these could have been at his current address or at a previous or linked address. Update emails are also sent each time Mr S logs into his account.

Mr S has said he has received numerous updates, but when logging in, he has been unable to see what they relate to. Equifax has explained that within the notification centre of the "myEquifax" account a message is displayed to direct customers to the specific section of their report where the change has been.

I understand the number of updates was alarming for Mr S, but as this was part of the service included in the membership he had with Equifax, I can't fairly say it did anything wrong in sending them to him.

## **Service**

Equifax has offered Mr S £200 for the service it provided to him, including the delays in helping him to remove the third-party data from his credit file. Having considered everything, I'm satisfied this is a fair offer in the circumstances and is in line with what I'd expect.

I know Mr S will be disappointed with this outcome. But my decision ends what we – in trying to resolve his dispute with Equifax– can do for him.

## **Putting things right**

Equifax should pay Mr S £200 compensation for the service provided as per its original offer.

**My final decision**

For the reasons set out above, my final decision is that I uphold Mr S' complaint about EQUIFAX LIMITED and require it to settle the case as described above.

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

Amber Mortimer  
**Ombudsman**