

## **The complaint**

Mr M complains that Transunion International UK Limited (TU) displayed information relating to a third party on his credit file and this stopped him from being able to progress with a mortgage application.

## **What happened**

Mr M and his wife held a joint mortgage account, with a bank that for the purposes of this decision I'll call N. The mortgage was redeemed in November 2021. This incurred an early repayment charge (ERC) of around £3,300. Mr M had six months in which to take out a new mortgage with N to be eligible for a refund of the ERC.

In January 2022 Mr M applied to N, through a broker, to port the previous mortgage along with extra borrowing to a new property. Unfortunately, the application was declined. N explained to the broker that there was adverse information showing on Mr M's credit file, and this was the reason for the decline. N said Mr M should check his file is correct and if its not have it corrected. Mr M's broker relayed this information to him.

Mr M checked his TU credit file and found that they had merged his information with that of his brother, and it was his brother that the adverse information related to. At the beginning of February Mr M complained to TU, they corrected the mistake and updated Mr M's credit file on 17 March 2022.

While this was ongoing, Mr M's broker advised him he could complete a mortgage application with another lender (L) so he could get an agreement in principle in place and then lodge an appeal with N on his original application. Mr M's application with L was successful and so he didn't pursue the appeal with N. As the new mortgage was with L, Mr M was no longer eligible for a refund of the ERC from N.

Mr M thought TU should pay the ERC as, he says, the application with N was only declined because of his brother's information incorrectly showing on his credit file. TU said they would consider financial losses if Mr M could show evidence they were as a direct result of their mistake. Mr M didn't provide this to them but brought his complaint to this service.

Our investigator considered the complaint and thought that TU should pay Mr M £300 compensation for the frustration their error had caused but didn't agree that they needed to reimburse him for the ERC he had paid to N. In summary he said TU had corrected the error within three weeks and so Mr M had time to go through the appeals process with N and potentially mitigate the loss.

Mr M disagreed, he said the house he was trying to buy was his dream home and he hadn't wanted to waste time waiting to see if TU would resolve the issue, and potentially lose out on the house, so he felt he had to go ahead with his mortgage with L.

TU agreed with the investigator's findings and agreed to pay Mr M £300 to resolve the complaint.

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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me.

There is no dispute here, from either party, that the third-party information showing on Mr M's credit file was there as a result of TU's system error. And I think it's more likely than not that the third-party information resulted in his mortgage application being declined. So, I don't see any benefit in laying out more details of this. What I need to decide is if TU are responsible for Mr M taking his mortgage with another L instead of N, resulting in him not being refunded the ERC he paid to N. And I don't think they are, I'll explain.

When Mr M redeemed his original mortgage in November 2021, he had six-months from that date to take a new mortgage with N and have the ERC refunded to him, giving him until May 2022.

When N declined his mortgage application in January 2022, he still had around four months of the six months to go. Mr M complained to TU at the beginning of February and by the 17 February his file had been corrected, this still allowed him three months to be able to place an appeal with N. But by this time, he had completed his application with L and chose not to appeal the application with N.

I understand Mr M had his reasons for this, not wanting to lose his dream home being one of them. But given he chose not to appeal, I can't fairly say that TU stopped him from being able to obtain a mortgage with N, as he still had time to do so. It follows I don't think TU need to reimburse him the cost of the ERC.

However, I do think TU's mistake caused Mr M unnecessary inconvenience and frustration and so I do believe they should pay Mr M compensation for the distress they caused. I think £300 is a fair reflection for this and in line with what I'd expect.

### **Putting things right**

TU should pay Mr M £300 for the distress and inconvenient caused to him.

### **My final decision**

For the reasons set out above, my final decision is that I uphold Mr M's complaint about Transunion International UK Limited, and now require to put things right as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 December 2022.

Amber Mortimer  
**Ombudsman**