

The complaint

Mrs D is unhappy with TransUnion International UK Limited for not reporting accurate information on her credit file. Mrs D says this has had financial consequences for her.

What happened

I issued my provisional decision to both parties which set out the background and my provisional findings for this complaint. My provisional decision said:

Around 9 June 2022 Mrs D became aware that her TransUnion credit file was not reporting accurate information, mostly because there were missing accounts and the electoral roll was not showing the full number of years she had lived at her address.

Mrs D raised her concerns with TransUnion on a call on 9 June 2022 and in reply to an email from TransUnion which followed on the same day, Mrs D provided TransUnion with the personal information they had requested, and details of the accounts that were not showing on her credit file. Mrs D asked that TransUnion investigate and rectify her credit score, which at the time was showing as 573 – fair.

Also on 9 June 2022 Mrs D sent a separate email to raise a complaint with TransUnion. This was sent to a different TransUnion email address. TransUnion acknowledged the complaint on the same day.

On 10 June 2022 TransUnion's complaint team emailed Mrs D requesting personal information from her to investigate the complaint. Mrs D did not respond to this email – and she has speculated why that may have happened. Mrs D has said she either thought she'd already sent that information on 9 June 2022 or she may have missed the 10 June 2022 email.

On 21 June 2022 Mrs D says she attended a mortgage interview with Lender A as she was looking to borrow funds for property renovations.

TransUnion's complaint department told Mrs D on 21 July 2022 that due to no response to their email of 10 June 2022, they had closed the complaint.

Mrs D says she followed up with TransUnion's complaint department on 21 July 2022 and 31 August 2022, but received no response from TransUnion.

On 31 August 2022 Mrs D attended her second mortgage interview with Lender A. And on 5 September 2022 she learned through her mortgage adviser that the application had been unsuccessful due to Lender A being unable to electronically verify her identification.

Mrs D called TransUnion, following which on 12 September 2022 TransUnion replied to Mrs D apologising for their delay in responding to her when she had sent them her concerns initially. TransUnion confirmed they had now contacted their data team to update Mrs D's credit report, although they noted it had not been possible to add one of the accounts Mrs D had mentioned as it had not been reported to them. TransUnion offered Mrs D £25 for the

annoyance and inconvenience the delay had caused. Mrs D didn't accept the offer.

Lender A issued Mrs D a letter on 14 September 2022 which explained they were unable to approve the mortgage application, but did not give any details as to why. Mrs D has more recently obtained an email from her mortgage adviser that the application was declined due to failing electronic IDVA.

On 12 October 2022 Mrs D's credit score with TransUnion had increased slightly to 582 – fair. In particular, the credit file now reflected that Mrs D had been registered on the electoral roll for 15 years, as opposed to less than a year.

Mrs D has recently told us that she re-applied for the mortgage on 14 December 2022 – with her TransUnion credit score being broadly the same as it was on 31 August 2022 – and this time she was successful in her application.

Our Investigator said Mrs D's complaint should be upheld as they said TransUnion should have updated Mrs D's credit file more promptly than they did. The Investigator said TransUnion should increase their award to reflect the trouble and upset caused, from £25 to £150. And also said that TransUnion should provide a letter for Mrs D to confirm that her file was updated in September 2022.

In summary, the Investigator considered Mrs D's concerns about the financial impact of the credit file not being up to date, but concluded there was not enough to say that TransUnion should be held responsible for the credit applications Mrs D was declined for, including the application with Lender A.

The Investigator's reasoning included that TransUnion was not mentioned as the reason for another lender (Lender B) declining an application; Mrs D's credit score did not significantly increase after the corrections were made to her credit file; both parties caused some initial delays in June and July 2022; Mrs D applied for the mortgage knowing her credit file was reporting inaccurate information; and it wasn't possible to know that the mortgage application would have been successful.

TransUnion agreed to the increased payment of £150. But they did not agree to write a letter for Mrs D confirming what had happened, and they continued to refuse writing such a letter when our Investigator approached them again about this.

Mrs D disagreed with the Investigator's findings. In summary, Mrs D's main concerns were the time taken for TransUnion to update her credit file and that TransUnion's reporting errors affected her identification verification for the mortgage application with Lender A, given it later went ahead successfully even though the score had changed little. Mrs D said the delay had impacted her financially both in terms of the now higher mortgage interest rates and the increased costs for carrying out the renovation works. Mrs D was also unhappy that TransUnion was refusing to provide the letter proposed by the Investigator, and she maintained that £150 was not enough to recognise the trouble, upset and cost (in terms of time and work) in trying to sort this matter out.

As a resolution could not be reached, the complaint has come to me to decide.

What I've provisionally 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.

The parties should note that while I've not responded to every point raised, I have reviewed

and considered all the submissions made, and my findings focus on what I consider to be at the heart of this complaint given the evidence and submissions available to me.

Having reviewed the complaint, my conclusions are that Mrs D's complaint should be upheld, but as some of my findings differ to those reached by the Investigator, this provisional decision is to allow both parties the opportunity to provide any further submissions.

It is not in doubt that TransUnion were not reporting up to date and accurate information about Mrs D's credit file, so I've not looked into the details of this any further as it appears both parties now accept this has been remedied as far as is reasonably possible.

And while Mrs D did not promptly respond to TransUnion's complaint department's email of 10 June 2022, I don't think this takes away that Mrs D had already emailed TransUnion's UK consumer team separately to request that her credit file be investigated and amended. And I think it's fair to say that TransUnion accepts they did not take steps to correct Mrs D's credit file as quickly as they should have done.

What is therefore left for me to consider is the extent to which the delay in TransUnion updating Mrs D's credit file affected Mrs D. Mrs D made her original request to correct her credit file on 9 June 2022, and it appears this was not confirmed as actioned until 12 September 2022.

Having reviewed Mrs D's submissions I can see that she reasonably accepts the difficulty in being able to demonstrate that TransUnion's misreporting directly caused the refusal of credit with certain credit providers. However, Mrs D still feels strongly that the mortgage application with Lender A was affected by TransUnion's inaction.

Mrs D says this mainly because she was told by her mortgage adviser the reason for the mortgage being declined was due to Lender A being unable to verify her identity electronically. And because Mrs D's concerns were that accounts were not being reported correctly on her credit file and electoral information was not being reported accurately, she says this is what led to Lender A declining the application when they couldn't confirm her identity electronically.

I have given this careful consideration and I think there are a number of factors to consider here.

I understand Mrs D has said she expected her credit file to be corrected promptly, but TransUnion would have had 28 days to respond to Mrs D following the queries she raised. As our Investigator noted, I think it is therefore reasonable to say that Mrs D decided to initially apply for the mortgage, only a couple of weeks following her request, in the knowledge that her credit file with TransUnion was being investigated and she had not yet been told what, if anything, had been updated.

And I can see that the second interview took place when Mrs D would've been aware that things were still not sorted out as she had chased TransUnion on two occasions prior to attending the second interview. So I think it's reasonable to say Mrs D went ahead with the application in the knowledge there was still a problem with her TransUnion credit file.

That said, when a lender considers a mortgage application there are a number of things that are taken into account. Credit references form part of a lender's assessment, but lenders can and do choose to use different credit reference agencies for those checks, and I've not seen enough to say that Lender A relied on TransUnion as part of their credit reference search. I say this as I note from the TransUnion credit report Mrs D has provided (from 7

October 2022) that there appears to be no record of a search by Lender A for a mortgage in 2022.

Further, from the submissions available, it appears that at the first time of applying for borrowing with Lender A, Mrs D owned her own home without a mortgage. It is not clear to me exactly how Mrs D intended to arrange her borrowing, but there appears to be a suggestion that Lender A does not offer equity release products.

And while it is not for me in this case to say what Lender A should or should not have done, I am mindful that a person's identity can often be determined through the provision of documents if an electronic check is unsuccessful. So I think it would be fair to question why provision of appropriate documents as an alternative for identification checks was not considered if that was the only obstacle to Mrs D's borrowing with Lender A at that time.

I mention these things to illustrate the difficulty in saying that TransUnion's delay in raising and investigating Mrs D's queries in June 2022 directly caused her application with Lender A to not go ahead at that time. I've therefore not seen any evidence to persuade me that Lender A more likely than not declined the application solely for incorrect information showing on Mrs D's TransUnion credit file.

My findings are not to take away the upset and stress this matter has caused Mrs D, as understandably her financial standing is important to her and that to learn information was not being reported correctly about her was no doubt upsetting.

It is disappointing that TransUnion did not investigate and action Mrs D's request from 9 June 2022 straight away. And it is further disappointing that they then failed to communicate with her about the request, so that it was only due to Mrs D following up the complaint with them that TransUnion were prompted to take action. As this service is not the regulator, I cannot fine or punish TransUnion, but I do think TransUnion's inaction caused unnecessary inconvenience and upset. I therefore agree with our Investigator's view to increase the award to £150.

I realise this will not resolve things in the way Mrs D would like, but for the reasons I've explained, I do not have enough information to support that Mrs D's application with Lender A would have been successful but for TransUnion's delay in updating her credit file.

And while I've taken into account Mrs D's submissions that an award of £150 does not reflect the time and effort of sorting out the matter, in the circumstances I think this sum is in keeping with the awards this service makes. I note our Investigator has already shared with Mrs D that details of our approach to such awards are available on our website.

I've also considered the Investigator's proposal that TransUnion should write a letter as a record for Mrs D to have as evidence that the credit file was reporting information about her incorrectly. While I understand why this is important to Mrs D – and on this occasion setting aside TransUnion's reluctance to provide such a letter – overall, I do not believe such a letter to be necessary in this case. Mrs D has let our service know she was able to successfully apply for borrowing in December 2022. And the communications with our service in relation to this complaint, including this decision, are available to Mrs D as a record if she needs. In the circumstances I therefore don't think TransUnion need to provide a letter to Mrs D.

My provisional decision

For the reasons above, my provisional decision is that I uphold Mrs D's complaint and TransUnion International UK Ltd should pay Mrs D £150.

Responses to my provisional decision

TransUnion replied to acknowledge my provisional decision, but offered no further comments or submissions.

Our service chased Mrs D to ensure receipt of the provisional decision, but Mrs D did not reply, and she has not responded by the deadline set in my provisional decision to offer any further submissions.

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.

In view of the above, as there are no further submissions for me to consider in relation to this matter, I see no reason to alter the conclusions reached in my provisional decision as set out above. That is, I think TransUnion's inaction, when Mrs D first approached them to raise concerns about her credit file, caused unnecessary inconvenience and upset so they should pay Mrs D £150 to reflect that. But I don't think there is enough in the submissions available for me to say that inaccurate information on Mrs D's TransUnion credit file caused the application with Lender A to be declined. And for the reasons given in my provisional findings above, I don't think TransUnion need to write a letter for Mrs D.

Putting things right

TransUnion International UK Ltd should pay Mrs D £150.

My final decision

For the reasons above, my final decision is that Mrs D's complaint is upheld and TransUnion International UK Ltd should put things right as I've described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 19 April 2023.

Kristina Mathews
Ombudsman