

The complaint

Mr N complains that two of his credit card accounts are missing from his credit report with TransUnion International UK Limited (TransUnion), which has had a negative impact on his credit score.

What happened

In October 2022, Mr N settled and closed several credit cards and paid off his mortgage. Following this, TransUnion reduced his credit score, which Mr N says is based on him having insufficient credit. However, Mr N holds two active credit cards that aren't showing on his TransUnion credit report. Mr N says by not reporting these accounts, TransUnion is giving potential lenders a false and damaging judgement on his ability to repay debt.

Mr N tried to raise a dispute online but was only given the option to dispute inaccurate information showing on the report, not missing information. So, he complained to TransUnion via email.

In its final response, TransUnion said it was not responsible for the missing accounts and is reliant on information being given by data providers.

Mr N was unhappy with this response, so he brought his complaint to this service. Our investigator agreed that TransUnion is not responsible for the missing information on Mr N's credit file, but thought it should've done more to ensure the information it held was accurate by raising the dispute directly with the provider of Mr N's missing credit card accounts. As TransUnion hadn't done this, our investigator upheld Mr N's complaint, and recommended TransUnion raise the dispute and pay £150 compensation for the distress and inconvenience caused.

Mr N accepted our investigator's recommendation. TransUnion disagreed and maintained that it can only display data it is provided, and it cannot approach data providers and ask for a specific account record. TransUnion also noted that it does not claim to keep a full record of an individual's financial standing, and its reports may not always include all financial accounts due to lenders not always supplying data to all credit reference agencies (CRA). As no agreement has been reached, 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 will be upholding this complaint, and for broadly the same reasons as the investigator.

I think it would be helpful to start by setting out what I can and can't do here. Providing a credit score is not a regulated activity, so isn't something I will be making a finding on. But I'd like to add some clarity around how it works for Mr N. The score itself is based on an algorithm using the data on the credit file, each CRA has its own algorithm based on the

criteria it thinks is important. Mr N's credit score will only be visible to him, it's a general indication which helps customers get a simple view of how their credit file might be perceived in a number format. But individual lenders cannot see this number, they can only see the data showing on the credit file. Each lender will have their own internal lending criteria which they base their lending decisions on, sometimes they also refer to this as a credit score – but it is their internal "number" not the number displayed to Mr N on his credit file.

It's for a lender to provide data to CRA's. But I can consider if TransUnion acted fairly when Mr N notified it of the missing accounts. And I don't think it did.

I've not seen any evidence to support that TransUnion failed to report information provided by Mr N's credit card provider. So I can't conclude it is at fault for the accounts being missed. However, TransUnion has a duty to take reasonable measures to ensure the information that is reported by lenders via its credit files is accurate. So, when Mr N notified it of the missing accounts, it's reasonable to expect TransUnion to have raised a dispute with the lender at the time.

TransUnion has said that credit providers don't always provide data to all CRA's. But I'm satisfied the provider of Mr N's missing accounts does report information to TransUnion, and therefore it should've raised the dispute directly with the lender to ensure the information reported was accurate. As this hasn't been done, TransUnion should do so now.

As this service is not the regulator, I cannot fine or punish TransUnion. But I can consider the impact caused to Mr N and I do think TransUnion's inaction caused him unnecessary inconvenience and frustration. So, I think TransUnion should pay Mr N £150 compensation in recognition of this.

Putting things right

TransUnion should now:

- Raise the dispute with the provider of Mr N's two missing credit card accounts.
- Pay Mr N £150 compensation for the distress and inconvenience caused.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 20 November 2023.

Nicola Bastin
Ombudsman