

The complaint

Mr H is unhappy Equifax Limited recorded information about a third party on his credit report.

What happened

Mr H complains about a third party being added as a financial associate on his credit report, which he knew nothing about. Mr H said other creditors were able to see the third party's information on his file.

Mr H says this has impacted him in many ways - he was refused bank accounts, loans and credit cards and that the incorrect financial association information impacted his credit score. Mr H also says he was refused employment and that this issue has caused him distress, which has led to sleepless nights and inconvenience. Mr H says that when creditors carry out searches with the other Credit Reference Agencies (CRAs), they'll see the incorrect information on his credit file with those CRAs.

Mr H also complained about the service he received from Equifax – he said there were delays in the complaints process and that he wasn't given an explanation for the delays.

Mr H says he wants Equifax to award him £350 compensation and for them to sort out his credit score.

Equifax responded to Mr H's concerns. They said in Mr H's case, a mistake had been made by their data matching system because of similarities between some of Mr H's and the third party's information. However, Equifax said that having third party information appear in the association section of his credit report wouldn't have impacted his ability to obtain credit. In order to resolve the issue, Equifax loaded a Notice of Disassociation (NoD) to their database to ensure all of Mr H's information was separated from the third party's and to prevent a potential reoccurrence of this issue.

In relation to the customer service Mr H received, Equifax apologised to Mr H and after reviewing his account, recognised he hadn't received the level of customer service they aimed to provide – they said Mr H ought to have been told that all CRA's use a different system and an error on Equifax's system may not be an error on another CRA's system and vice versa. Equifax offered Mr H £50 for the distress and inconvenience caused and for the customer service Mr H experienced. Mr H didn't feel this was fair compensation and said more compensation was warranted.

Our Investigator looked into Mr H's concerns. In summary, she said Equifax acted fairly in loading a NoD when Mr H raised his concern about the incorrect financial association. Our Investigator also acknowledged the information provided by Mr H shows he was declined credit by lenders and also that he lost a job offer after checks were carried out on the Cifas database. But she said this took place after Equifax had loaded the NoD and the incorrect financial association information had been removed. In any case, our Investigator concluded the evidence Mr H provided didn't point to applications being declined as a result of the third

party association on his Equifax credit file. Our Investigator recognised that Equifax offered Mr H £50 compensation and didn't ask Equifax to do anything more.

Mr H disagreed and asked for his complaint to be considered by an Ombudsman. So, the complaint has been passed to me.

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 fully appreciate Mr H's concern when he found data relating to a third party on his credit report. Equifax already agreed that this was a mistake due to their data matching system and loaded a NoD to fix this issue. Equifax provided us with a copy of Mr H's credit file from 25 May 2022 and there is no data showing in the 'financial associates' section. So, I'm satisfied the NoD Equifax loaded removed the third party's information. This means I need to consider the impact this mistake had on Mr H and whether Equifax have done enough to put things right.

Mr H has provided us with evidence from different lenders and other third parties showing things like him being declined credit, a lender closing an account after they carried out further checks and also Mr H being declined a job offer in September 2022 (four months after the NoD was loaded by Equifax) – this letter explained that the employer found information on the Cifas database which related to Mr H. Having carefully reviewed all of this, I don't have enough evidence to conclude that any credit applications were declined because of the information on Mr H's Equifax credit record about the third party. I say this because some of the evidence provided shows lenders declining credit as a result of information found on the Cifas database. Additionally, the evidence shows Mr H being declined credit and an account being closed months after the third party's information was removed from his credit file. This means I can't fairly require Equifax to pay further compensation.

Mr H also raised concerns about the third party being able to see his financial information on their credit file. But I've not seen any evidence to suggest this was the case. While I don't necessarily agree with Equifax's comment that having a financial association wouldn't necessarily impact a person's ability to get credit, I haven't seen the declines in credit mentioned above were as a result of the third party's associated details – their details weren't showing on Mr H's credit file at the time of the declines.

As I've mentioned, I appreciate Mr H would have been caused concern and worry in finding out that a third party had been linked to him incorrectly. But I think Equifax acted quickly to load the NoD to Mr H's credit file in order to resolve this issue. Mr H referenced his credit score being impacted by the incorrect financial association. However, I haven't seen any evidence to persuade me of this. When Mr H contacted Equifax on 11 May 2022 to raise this issue, Equifax's notes show Mr H mentioned negative information on his credit file such as defaults, he also acknowledged his credit score wasn't the best and said that he was paying back other creditors through arrangements.

Equifax acknowledged their customer service wasn't as they expected. Mr H wasn't told sooner that the other CRAs didn't need to be notified of this issue as the matching error was as a result of Equifax's system – not the other CRAs.

Mr H raised concerns about delays in the complaints process and I can see he first raised his concerns about this issue on 11 May 2022. The information from Equifax shows they contacted Mr H on 25 May 2022 to explain how this issue happened, confirmed that the NoD

had been loaded and that it was successful in removing the incorrect link of the third party. But I appreciate waiting a long time for Equifax to issue their final response letter would have been frustrating. However, this point would fall under complaint handling which doesn't fall within our jurisdiction, so isn't something I can consider.

Having carefully considered the worry caused to Mr H in finding out about the third party's information and the customer service he received, I think the £50 offered by Equifax to settle the complaint is fair in the circumstances.

My final decision

My decision is that Equifax Limited should pay Mr H £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 May 2023.

Leanne McEvoy
Ombudsman