

## The complaint

Mr N has complained about his credit score with Equifax Limited.

## What happened

Someone else's utility bill was added to Mr N's Equifax credit file due to a system error. Mr N complained and Equifax removed it, disassociating him from the other person. They apologised for the mistake and offered him £200 compensation.

Mr N also complained that his Equifax credit score wasn't as high as he thought it should be even after the wrong information was removed.

Our investigator explained that Mr N's credit score was something only he saw – lenders had their own scoring systems.

Mr N didn't agree. He wants Equifax to change his credit score and reset his historic scores, to add a notice of correction, and to contact lenders who searched his file while the other person's data was on it.

The complaint's been passed to me to decide.

I sent Mr N and Equifax a provisional decision on 4 April 2023, to explain why I thought the complaint should be upheld in part. In that decision, I said:

*I should first clarify what Equifax's credit score is, as I understand Mr N is under the impression that lenders use this score, and that it can affect his applications. I hope I can alleviate his worries there.*

*There is a common misconception that a credit reference agency's score is universal and that lenders make all their decisions based on it. But the credit score Mr N sees is just an illustration of how Equifax thinks lenders might assess his credit history. And it's for Mr N to see – it's not for lenders. It's not a guarantee of what any given lender will think. It's just a general indication, which helps customers get a sense of how their credit file might be looked at. Lenders have their own criteria for how they assess credit applications and reviews. So Mr N need not worry about his Equifax credit score.*

*Further, the score is automatically generated, so Equifax can't really set or reset it in the way Mr N would like. And changing his score wouldn't make any practical difference for Mr N, since – as I said above – lenders don't see his credit score, current or historic. The Equifax credit score is for Mr N. Lenders see the raw data on his credit file and make their own assessments. That goes for the score Mr N sees through the linked ClearScore service, too. Mr N pointed out that a different credit reference agency gives him a better score, but that's not surprising – different agencies will assess his file in different ways. Again, the credit score is just an illustration of what that particular agency thinks his file might look like to lenders. It's not a universal measurement.*

*As I understand, the other person's information has been removed, so Mr N's credit file now only contains his own information, and will only be assessed based on his own data. Equifax also disassociated him from this other person, to prevent this from happening again. So as far as I can see, that issue has been sorted out.*

*I understand Mr N would like a notice of correction to be added to his credit file. Mr N can add a notice of correction himself if he'd like one – I can see Equifax sent Mr N instructions for how he can do so.*

*Mr N raised some concerns about the searches that were made on his file while the other person's information was on there. Most of these were soft searches. And much like his credit score, only Mr N can see the soft searches. Lenders cannot see the soft searches. So he doesn't need to worry about those.*

*Lenders can see the hard searches. And I take Mr N's point that the results of those hard searches may have possibly been affected by the erroneous information that was on his file at the time. Equifax can't change or remove those searches themselves, as they don't own the data on his credit file – it's the lenders who own the data. So only the lenders can change or remove those search entries.*

*What Equifax can do is raise disputes on Mr N's behalf, explaining that there was someone else's data on his file in error when those hard searches were made, and asking the lenders to remove them or reconsider the results. So I propose that Equifax does that.*

*However, this is not guaranteed to work, since – as above – Equifax cannot force the lenders to change or remove the hard searches. So if Mr N would really like them to be changed, it would be best if he also approaches those lenders himself. I will ask Equifax to provide him with a letter stating that there was erroneous information on his credit file. He can make separate complaints about those lenders if he feels they don't help him enough.*

*I appreciate that this matter has caused some real trouble and upset for Mr N, requiring a reasonable effort to sort out. When a business gets things wrong, we often tell them to pay compensation, to acknowledge their error and the impact it had. In terms of the amounts, it's worth bearing in mind that we're here to resolve complaints informally, rather than to issue large fines or to punish firms. We have guidelines about what levels of compensation to award, and I need to be consistent with those. Taking everything into account, I think the £200 Equifax offered is fair to put right the trouble and upset they caused here.*

*I said I'd consider anything else anyone wanted to give me – so long as I received it by 18 April 2023. Both parties responded, and I'll talk about their responses below.*

## **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.

Equifax confirmed they were happy to raise a dispute on Mr N's behalf. They clarified that there were only two hard searches on his file from the period the erroneous information was on there: one hard search from a bank beginning with H, and one from a bank beginning with B. They said it looked like the B account had successfully been opened, in which case they wouldn't look to dispute that search. But it looked like the H account had not, so they could raise a dispute there.

That seems reasonable. To clarify, I'd only require Equifax to remove any hard searches from the period of the erroneous information where the application was *rejected*. There would be no sense in raising a dispute where the application went through anyway, as the hard search would be an accurate reflection of that application. That said, Equifax should first double-check that the B application did in fact succeed.

Mr N broadly accepted the provisional decision. He asked for further help with adding a notice of correction. But I can see that he's now submitted an application for a notice of correction, so that should go through shortly. If he doesn't get a response to that query from Equifax in the next week, he can let our investigator know and we can send a chaser.

Mr N said Equifax previously refused to add a notice of correction in their final response. I can see they explained to him that they didn't add notices of corrections to files themselves, but that customers could add one if they liked, and they'd be happy to help him do so. That was correct. As I said in the provisional decision, it was for Mr N to add a notice of correction himself if he'd like one.

Mr N asked for a list of lenders Equifax would be contacting. As above, there were only two hard searches from the time, and it appears that one of them was successful, so that would mean they only need to contact H. As before, Equifax can only ask H to remove the search – they can't force them to. So if the dispute doesn't work, Mr N will need to contact H directly. The letter I'm directing Equifax to give him should help with that.

Lastly, Mr N queried how Equifax would arrange payment of the compensation. If he accepts the final decision, then Equifax will usually arrange payment with him directly within four weeks of his acceptance.

Other than those queries, neither side sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

## **Putting things right**

I direct Equifax Limited to:

- Raise a dispute for Mr N with any lenders who performed hard searches on his file while the erroneous information was on it, if those applications were unsuccessful;

- Provide Mr N with a letter setting out what erroneous information was on his credit file, and between which dates, and warning that any lending decisions made during that time may have been based on incorrect information;
- Pay Mr N the £200 compensation they offered, if they've not done so already.

### **My final decision**

I uphold Mr N's complaint in part, and direct Equifax Limited to put things right in the way I 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 16 May 2023.

Adam Charles  
**Ombudsman**