

## **The complaint**

Mr T has complained about the way Equifax Limited handled a dispute.

## **What happened**

Both sides are most familiar with the case, so I'll summarise things in brief.

Mr T told Equifax that two loan applications in his name were fraudulent.

Equifax raised disputes with both lenders. One deleted the record of their account, the other (S) said their fraud team was still looking into it. Mr T was not happy and Equifax raised further disputes for him, but S did not agree to remove the data. Equifax explained they couldn't remove the data without S's permission, as S owned the data.

Mr T complained, though initially to a "no reply" email address. He later sent it to the correct email. Equifax replied, but did not initially treat the matter as a complaint. They offered £25 compensation for not acknowledging the complaint earlier, which Mr T did not accept.

Our investigator looked into things independently and found that £75 compensation was fairer for the delay in dealing with the complaint. They confirmed that Equifax had otherwise handled the dispute properly.

Neither side agreed. Mr T felt Equifax were getting away with things and felt this was a systemic issue. Equifax felt they'd offered enough.

In the meantime, S finished looking into the matter and confirmed the application was fraudulent, so they applied to have the data removed.

The complaint's 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.

First, I understand that it is most stressful being subject to fraud, and I'm glad to see that both lenders have now agreed to close their respective loans, remove them from Mr T's file, and chase him no further. It will usually take some time for this to update with all the credit reference agencies. But I hope this will help take some weight off Mr T's mind.

Turning to Equifax, in this decision I can only hold them responsible for things that were actually their responsibility. Equifax were not responsible for the fraudulent loan applications – those were done by the fraudster. Nor were they responsible for the granting of the loans – that was done by the lenders. And I think it was the fraud itself that was the primary cause of Mr T's distress and inconvenience in this matter.

Equifax were also not the owner of the data S was reporting on Mr T's credit file – it was S who were the owner. And as our investigator explained, Equifax were not allowed to change or remove the data without S's permission.

So Equifax were only responsible for a fairly limited amount in this matter.

We would expect Equifax to raise disputes on Mr T's behalf when he told them that S were reporting incorrect information. But Equifax did raise appropriate disputes, repeatedly and in good time. And they updated Mr T on the results of those disputes each time. So Equifax did what I'd expect them to there.

Mr T argued that Equifax had enough basis to delete the data because of S's letter dated 11 November 2022, which he felt confirmed that the account was fraudulent. But it only confirmed that Mr T had *said* the account was fraudulent and that S were looking into this allegation. Similarly, Mr T argued that because S added a CIFAS registration, that was proof that the loan was fraudulent. But that's just a fairly standard procedure when investigating alleged fraud. Lastly, Mr T pointed out that Equifax had the ability to suppress the data. But as they explained, they'd only do that if S didn't reply to their dispute – and here, S replied promptly each time and made it clear they did not agree to the data's removal. And S were the data's owner. I find that Equifax did not have a reasonable basis to stop reporting the account in this case. I find they acted fairly in continuing to report it.

Turning to the way Equifax handled the matter more broadly, Mr T complained that Equifax had simply ignored all his communications about complaints. Equifax did reply and give updates. But I do see that Equifax failed to initially register this as a complaint despite Mr T making it clear he wanted to complain.

Equifax argue that this would've had little detriment. But I think this oversight caused Mr T some unfair worry and anxiety in an already stressful situation. It delayed things and meant he had to chase up his complaint. And given that the final response dealt with the matter in more detail than the updates, I think it would have been helpful for Mr T to get this earlier. So that needs to be put right.

I understand that Mr T may not be happy with the way Equifax does things across the board, and that he feels they shouldn't "get away" with overlooking the registering of a complaint. I should explain that we are not the regulator – that's the Financial Conduct Authority, or FCA for short. We do not oversee businesses' processes across the board, and we are not here to issue fines or punish businesses. We're here to resolve complaints about individual situations in an informal manner. That sometimes means awarding compensation, to acknowledge a business's mistake and the impact it had. We have guidelines about what levels of compensation to award, and I need to be consistent with those. Taking into account what Equifax were actually responsible for here, our guidelines, and the impact Equifax's actions in particular had on Mr T, I agree with our investigator that £75 total compensation is fair to put things right in this case.

### **My final decision**

For the reasons I've explained, I uphold Mr T's complaint in part, and direct Equifax Limited to pay him £75 compensation in total. I do not make any further award.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 August 2023.

Adam Charles  
**Ombudsman**