

The complaint

Mrs C complains that Experian Limited has is reporting the same defaults twice on her credit report.

What happened

A business I will refer to as P, bought two accounts in Mrs C's name that were in default but have since been settled in full. The accounts were originally held by a business I will refer to as L.

Mrs C is unhappy that both of the defaulted accounts appear twice on her report – in the name of L and P. Mrs C is unhappy that Experian has counted the defaults twice in her total number of defaulted accounts. Mrs C is concerned that this will have a negative impact on her ability to obtain credit in the future.

Experian didn't agree that it had made a mistake. It explained to Mrs C that although the debts were being recorded twice, only the entries reported by P would be considered when she applied for credit.

After the complaint came to us, the investigator didn't recommend upholding it. He didn't think Experian is reporting the accounts as twice defaulted. The investigator said defaulted accounts need to be reported on a consumer's credit file for six years. But this doesn't mean that Mrs C currently has four rather than defaults registered against her.

The investigator told Mrs C that if she thought L should be reporting exact settlement dates, Experian could raise this with L. However, the investigator told Mrs C that adding a settlement date wouldn't impact her credit score. Finally, the investigator told Mrs C that if she thought L was reporting the wrong information to Experian, she should raise this with L.

Mrs C is unhappy with the investigation outcome and thinks the investigator has misunderstood her concerns. Mrs C thinks L and P are correctly reporting information about the accounts to Experian. She is worried that Experian hasn't made it clear to potential lenders that L sold the two accounts to P. Instead Experian simply says the debts have been assigned to a CAIS member.

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 realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean I've not considered everything that both parties have given to me.

I'm grateful to Mrs C for the clarification she's given to this service about her complaint. I understand Mrs C isn't unhappy that L and P are reporting the accounts. Rather that if

someone views her credit report, she doesn't think it would be crystal clear that L had sold the debts to P and that the defaults arise from the same debts.

I can see why Mrs C is concerned but I'm not persuaded that Experian has made a mistake with its reporting. The original lender – in this case L – has recorded the status of the accounts as debt assigned. And it is standard wording on an Experian credit report to say that the debt been assigned to a CAIS member. I wouldn't expect Experian to amend its records to identify the name of the third party. Particularly as this will have been how L reported the entries to Experian.

As Experian has told Mrs C – any potential lenders would be aware that the two entries for each account, relate to the same account. According to Experian's data, L and P have reported the same start date for each account and the default dates match. The default balances reported by P are each £1 higher than those reported by L. But I don't think this would cause a potential lender to conclude they were different debts, given the same start and default dates and the flag confirming the original debts were sold. However, if Mrs C was concerned about the slight discrepancy, I think she'd need to raise this with L or P.

In line with the ICO guidance that Mrs C referred to, each of the original accounts is showing as a zero balance. Experian has told Mrs C that at the moment L hasn't reported the default satisfaction or settlement date. Experian has offered to raise this with L if she wants and I leave this with Mrs C to decide whether she wants to take up Experian's offer.

Overall, I'm not persuaded that Experian's reporting of the two debts is unfair or potentially confusing for lenders.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 14 August 2023.

Gemma Bowen
Ombudsman