

The complaint

Mr M complains that third party information was recorded on his credit file by Equifax Limited trading as Equifax.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Last year, Mr M looked at his Equifax credit file and found details that related to third parties with the same name recorded. Mr M contacted Equifax and ultimately raised a complaint that financial information that didn't relate to him was showing on his credit file.

Mr M went on to refer his complaint to the Financial Ombudsman Service and it was passed to an investigator. Equifax provided a case file that included a credit report which showed third parties' credit commitments. Equifax also provided a more recent credit report that had been updated so that only Mr M's financial commitments were displayed. But the credit report showed another individual of the same name had been registered on the electoral roll in the past.

The investigator upheld Mr M's complaint. They said that whilst there was no evidence of a financial loss as a result of the details included on Mr M's credit file Equifax's actions had caused a reasonable level of distress and inconvenience. The investigator asked Equifax to pay Mr M £300 and to offer a CIFAS fraud prevention marker free of charge for two years. But the investigator noted third party electoral roll information remained on Mr M's updated Equifax credit file and said it should take steps to remove it.

Equifax agreed to pay the compensation awarded and apply the CIFAS fraud prevention marker. But Equifax said that because of the way information is supplied by local authorities, it's not possible for it to remove the third party's details recorded at Mr M's property from his credit file. Our investigator said Equifax should make amendments to its systems to ensure the third party's electoral roll details don't show on Mr M's credit file.

Equifax responded further to say that the local authority reports electoral roll information for all individuals who have resided at a property but don't provide dates of birth. That means, because the third party's first and surname are identical to Mr M's and he resided at the same address it's not possible to remove the reference to their electoral roll registration. In addition, Equifax said that electoral roll registration for other individuals at Mr M's address should have no impact on his eligibility for credit with lenders who use the electoral roll information provided to confirm residency. As Equifax didn't accept the investigator's recommendations and said it couldn't amend its systems Mr M's complaint has been passed to me to make a decision.

What I've provisionally 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can understand why Mr M was concerned to find other peoples' financial information recorded on his credit file with Equifax. Mr M has explained that it appears his brother's accounts were recorded. And Mr M has pointed to another party's accounts and electoral roll information which also appeared on his credit file. Equifax has confirmed Mr M's credit file included other parties' financial information, including credit commitments, and explained that's due to the similarities between their names. Mr M has the same first and surname as the other parties and shares the same address as his brother. In addition, it appears someone with the same name lived at Mr M's address and was previously recorded as being on the electoral roll by the local authority. Equifax has explained that its systems incorrectly matched the data from other individuals with the same name and address details as Mr M which is why information was recorded on his credit file.

I can see that when Equifax reviewed the information on Mr M's credit file it took steps to remove the third party credit commitments. The credit report dated 19 January 2023 only includes financial information and credit commitments that are in Mr M's name. So I'm satisfied that, overall, Equifax did take reasonable steps to resolve the issues with Mr M's credit file.

The sticking point here is that our investigator asked Equifax to change its systems to ensure the third party's electoral roll information is no longer shown on Mr M's credit report. But Equifax has explained that due to the way local authorities report data concerning electoral roll information and the way its systems work, it's not possible to remove that information. I've recently been back to Equifax to double check whether there's anything further it can do to help and it's confirmed there's no way of removing or amending the electoral roll information supplied by the local authority from Mr M's credit file. That means when Mr M looks at his credit file with Equifax he may continue to see the electoral roll information reported by the local authority, including reference to individuals with the same name. I appreciate that's not what Mr M wants to hear but I've considered whether there's a negative impact to him in terms of the information recorded.

In its response, Equifax made the point that when a lender completes a credit search it obtains information that is specific to the applicant. And the electoral roll information that is recorded about Mr M on his credit file is correct. In addition, Equifax explains that the electoral information provided by the local authority is public information. As a result, a lender's credit report will show the details of all individuals recorded at an address, regardless of their name. That means, there's no impact to Mr M in terms of the way the electoral roll information is recorded on his credit file.

Having considered the available information, I'm satisfied that when a business carries out a credit search on Mr M the correct electoral roll information will be supplied by Equifax. Ultimately I can't force a business to change the way its systems operate. And I'm satisfied that the steps Equifax has taken have resolved the incorrect third party information recorded on Mr M's credit file.

Should problems regarding third party information appearing on Mr M's credit file occur again in the future he will have recourse to revisit the issue with Equifax and, if necessary, raise a new complaint.

I agree with the investigator that the issues raised by Mr M have caused him a reasonable level of distress and inconvenience. Clearly findings third party information, including that of a family member, on your credit file is cause for concern. I agree with the investigator that a payment of £300 for the distress and inconvenience caused is fair in the circumstances of Mr M's complaint.

In addition, I think the provision of a CIFAS warning for two years is reasonable to provide an additional layer of security for Mr M after third party information was recorded on his credit file.

I invited both parties to respond with any further comments or information they wanted me to consider before I made my final decision.

Mr M responded and said the third parties' information on his credit file had impacted his credit rating and meant he was unable to get approved for finance. Mr M also explained that Equifax had admitted it had breached confidential information of its clients. Mr M went on to explain that being unable to obtain credit had led to a serious impact on his ability to work and obtain finance to purchase a car. Mr M explained he would be willing to settle for a substantially higher sum and that he was considering taking legal action against Equifax.

Equifax responded to confirm it's willing to settle in line with the provisional decision.

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've carefully reviewed the information on file again, including the credit files provided. All parties agree that third party information was recorded on Mr M's credit file. As Equifax has already explained, similarities in the names and addresses led to its systems incorrectly matching third party information to Mr M's credit file. And the third party information was removed from Mr M's credit file by Equifax, so it's only showing his entries.

I understand Mr M's view is that Equifax has breached the confidentiality of the parties involved. But in this decision, I can only look at Mr M's complaint and how the information recorded on his credit file impacted him. The information recorded on Mr M's credit file relates to other individuals. There's nothing on file that shows Mr M's information was shared elsewhere. So whilst I can understand Mr M's concern that other peoples' details were shared with him, I haven't see anything that shows Mr M's private information was shared.

Mr M has explained that due to the number of duplicate accounts showing on his credit file he was unable to secure finance, including a loan to buy a car. I've looked at Mr M's credit file to see if there's evidence that shows he was turned down for credit. I don't doubt that having third party information recorded could've caused some difficulties. But the credit file doesn't show evidence of declined credit applications. And the credit file shows Mr M was able to open new commitments, including credit cards and contracts with communication suppliers, during the period in question.

I accept that the incorrect information may've caused Mr M some difficulties when applying for credit. But I haven't been persuaded that there are grounds to increase the award beyond

£300. In my view, £300 reflects the level of distress and inconvenience caused to Mr M overall and is a fair and reasonable way to resolve his complaint.

Mr M has explained that he's considering legal action. If Mr M doesn't accept this final decision, he is free to consider legal action. I leave it to Mr M to decide how he wishes to proceed.

I am sorry to disappoint Mr M but I haven't been persuaded to change the settlement I reached in my provisional decision. I still think Mr M's complaint should be upheld, for the same reasons.

My final decision

My decision is that I uphold Mr M's complaint and direct Equifax Limited trading as Equifax to settle as follows:

- Pay Mr M £300 for the distress and inconvenience caused
- Offer a CIFAS fraud prevention marker for two years free of charge

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 October 2023.

Marco Manente
Ombudsman