

The complaint

Mr S complains TransUnion International UK Limited (TransUnion) have been reporting incorrect information on his credit report.

What happened

Over several years Mr S has received demands to repay debts he says were nothing to do with him. Then when applying for credit with a third-party lender in 2022 he was provided a free credit check through TransUnion. It was at this stage, he says, he discovered his credit report had been merged with another individual who shared the same first name, last name, and date of birth as Mr S.

To support this, Mr S says he was also told by a debt collection company in January 2023 they had been given his contact details, incorrectly, by TransUnion.

Mr S contacted TransUnion about this. TransUnion apologised and said Mr S' credit report had been incorrectly merged with another individual, which they'd now corrected – they offered £150 in compensation and said they would consider any direct financial loss Mr S had experienced.

Unhappy with their response, Mr S raised his concerns with our service.

An Investigator here reviewed matters and agreed TransUnion had acted unfairly. She said TransUnion had merged Mr S' credit report with another individual who he had no connection to, so they should remove all incorrect data and pay compensation. The Investigator agreed this had a significant impact on Mr S, and as such her concluding view was TransUnion should pay £600 for the distress and inconvenience caused.

TransUnion didn't reply and Mr S didn't agree. In summary, he said TransUnion had been aware of this issue for three years so should be held accountable and have due diligence in place to prevent this from happening in future. He said he'd spent over 100 hours resolving this and he should be compensated for his time, as well as the significant impact it had on his mental health over the years. Mr S also said TransUnion should be required to contact everyone they'd given incorrect information to and ensure his credit report was corrected.

With no resolution, the complaint was 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.

In considering what is fair and reasonable, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice.

TransUnion has accepted there was information on Mr S' credit report that shouldn't have been there and this was because of an error they made, merging Mr S' details with another individual who wasn't connected to him. TransUnion have said this has since been fixed and Mr S' credit report is now showing correctly. As such, I've looked at the impact this has had on Mr S, to decide what would be fair compensation.

In order to understand the impact, I asked Mr S for evidence about how the error has impacted him. I want to reassure Mr S this isn't in any way to lessen the impact this has had or catch him out. As the Investigator explained, our service is an independent organisation – we don't act on behalf of either party – this means we need to take everything into account when considering how things should be put right.

Mr S has raised concerns about how the error has affected his credit worthiness, in particular he says he's had credit limits reduced, which has meant he's had to change the way he lives day to day, and he's been unable to consider things such as car finance or mortgages.

To show this he's provided correspondence from various third-party lenders who reduced his credit limit in 2022 and 2023. However, there are several reasons a lender may choose to reduce a limit and in order to hold TransUnion responsible I'd need to see evidence the merged credit report was the sole reason Mr S' credit was reduced – which isn't something I've seen.

In addition, I understand Mr S says he was unable to consider car finance or a mortgage, as he expected he'd be declined. But I can only consider what has actually happened – not what might have.

I also asked Mr S for his comments about a letter addressed to him, sent in March 2020, from a third-party company, which said:

“There are two other credit reference agencies that operate within the United Kingdom who, may also have this incorrect link and you should also contact them”

The letter then went on to name TransUnion, along with other credit reference agencies.

Mr S said, at this point he'd not heard of TransUnion and they hadn't been disclosed as the source of the incorrect information – he felt it was unreasonable for him to be expected to know a list of these. While I appreciate this, I do think the letter was clear in its instruction and Mr S might have been able to mitigate some of the impact, had he contacted TransUnion in March 2020, or soon after.

The letter also highlighted other credit reference agencies appeared to hold incorrect information about Mr S too – so I'm unable to conclude TransUnion are solely responsible for everything that's happened.

I've considered whether TransUnion could have resolved this error sooner – as Mr S says they've known about it for three years. However, I've not seen anything to suggest that was the case. It seems TransUnion were first made aware of the problem when Mr S told them about it in February 2023. From that point it took TransUnion around four months to correct Mr S' credit report, which I think was too long to resolve the issue he'd raised, so I've taken this into account when considering how to put things right.

While I don't think it would be fair to hold TransUnion responsible for everything that's happened here, Mr S has been inconvenienced, and that's, in part, as a result of TransUnion's error. So he should be fairly compensated for that.

Mr S has also said TransUnion should contact everyone that's accessed his report. But I won't be asking them to do this. I say this because, there's no way to know what companies have used, and relied on, the information TransUnion provided and nor would it be something they'd be able to do on his behalf. So, while frustrating, this will be something Mr S would need to raise directly with any future lenders. I would also generally expect future lenders to take into account information relevant at the time of any future application. But I have taken Mr S' concerns about information prospective lenders may have seen into account when considering the amount of compensation that should be awarded.

Mr S has explained, in detail, the stress this has caused him and the impact it has had on his mental health. When deciding on the amount of compensation that would fairly resolve matters, I've taken this into account and the fact Mr S has been chased by debt collection agencies and has spent a lot of his time getting information from third parties. I was very sorry to hear of the difficulties both Mr S and his late Father have experienced. As our Investigator explained, we're not able to consider any time Mr S' Father spent on resolving matters because we can only consider the impact on the individual with the credit report – but we can look at the overall impact on Mr S – which is what I've done.

Taking everything into account, I think £600 and the removal of all incorrect data from Mr S' credit report, is fair compensation in the circumstances of this complaint. I'm satisfied this amount is in line with the level of distress Mr S has suffered and within our award ranges for situations such as this.

My final decision

For the reasons I've explained above, I uphold this complaint and require TransUnion International UK Limited to:

- Pay Mr S £600 compensation.
- Correct any data wrongly applied to Mr S' credit report, if not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 December 2023.

Victoria Cheyne
Ombudsman