

The complaint

Mr A complains TransUnion International UK Limited (TU) caused him significant financial loss by adding other people's details to his credit file.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant element below, and they form part of this final decision.

Mr A was in the process of applying for a new mortgage, when he was told he had a County Court Judgment (CCJ) registered against him, and loans he hadn't declared. Mr A said this wasn't true, and after investigation established TU had incorrectly added other people's details to his own credit file. Mr A has said this has had a very significant financial and emotional impact on him. In total Mr A asked for around £19,000 to reflect the specific financial losses he'd incurred and the stress he's experienced. Mr A said it took too long for these issues to be resolved, so he complained to TU seeking to recover his losses.

TU replied and accepted they were at fault for what'd happened and wrong information had been matched to Mr A's credit file. They said they were happy to consider any financial losses Mr A wanted to claim for if he could evidence them. Overall, they upheld his case, but didn't at this stage offer any compensation.

I understand Mr A did then submit some evidence of his financial losses, but TU didn't deem them sufficient, so didn't pay any financial loss, or compensation at this point either.

Mr A referred his complaint to our service. He did so outside of the timescales allowed, but TU consented to our service looking into the complaint. So, one of our Investigators did so.

He agreed TU had made errors, and felt some compensation was due. Overall, he recommended TU pay £300. The key reason for this is because he didn't think Mr A had fully demonstrated all of the losses were solely or mainly due to TU's error.

TU accepted this outcome, but Mr A didn't. He said this didn't even cover his direct or indirect costs and he explained his circumstances again. As Mr A didn't agree, the complaint has been passed to me to decide.

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've only briefly touched on Mr A's personal circumstances. That isn't in any way to minimise or trivialise what's happened to him. I can see from what he's told us he's genuinely had a very challenging time as a result of the application for his mortgage not being successful. I do want Mr A to know I've read everything he's told us and thought about it very carefully. I've not reflected it in this decision because it's published, and I'm aware due to the circumstances he's described putting more detail here could cause him further issues.

All of that said, I think it's also important for me to set out how I've assessed Mr A's case. It's not in dispute TU made an error – they've accepted this. The only question is one of how to put matters right. I find it quite disappointing that TU didn't offer Mr A any compensation, even after they rejected his claim for financial losses.

Fundamentally, in order to award Mr A direct financial losses, I'd need to be satisfied TU were solely or mainly responsible for those losses. The losses Mr A has incurred happened as a result of the mortgage not going through.

Mr A has said the sole reason for this is due to TU's error in adding a CCJ and loans on to his credit file which weren't his.

Generally, to be satisfied this was the case, I'd want something from the lender to explain TU's incorrect information was the sole reason they'd turned down a mortgage application. The key reason for this is mortgage applications can fail on a vast number of different factors – including valuations, affordability, employment status and so on. It's extremely difficult to apportion sole blame to TU in such circumstances when there is a real and realistic possibility the mortgage application may have failed for another reason instead.

Mr A says he'd taken out a mortgage within two years prior to this mortgage application – and it succeeded. And he's given us evidence of the mortgage appointment, so he didn't know what else he could give us to prove his point.

I do understand Mr A's frustrations. But as I've said above there are so many reasons a mortgage application may not progress that I can't legitimately say the only reason the lender didn't agree to lend is down to TU's information.

Because of that, I won't be awarding any direct financial losses Mr A says he's incurred. Nor can I, when thinking about compensation, consider the impact not getting a mortgage has had on him. Instead, my focus in considering compensation is limited to the inconvenience of having to get the incorrect information removed from his credit file.

The information I have, shows Mr A initially got in touch with TU on 12 March 2022 to ask them to remove incorrect information. At this point Mr A had received his credit report from TU through another company for which he paid £14.99 to get this service.

Mr A identified 13 entries on his credit file which were incorrect. In their response to his complaint in April 2022, TU said all entries had been corrected.

It's unclear to me whether this was accurate or not. I say that because Mr A highlighted further issues – and TU agreed saying there were three third party searches remaining on his credit file. This was in August 2023 – some 17 months after he first raised his issues. Either TU should have removed these entries when Mr A first complained or should have taken steps to prevent these issues occurring again. For whatever reason, they've clearly not supported their customer in the way I'd have expected to ensure only correct information is now showing.

Overall, although our Investigator awarded £300, I think the impact is better recognised by a £600 payment given the distress caused and the length of time it's taken for the matter to actually be resolved.

Responses to my provisional decision

Mr A said he was happy with my provisional decision as long as it's the final binding decision as he's ready to move on.

TU replied and said they had nothing further to add.

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.

As Mr A said he was happy with this outcome if it's the final binding one, and TU said they had nothing to add, I've gone ahead and finalised my thoughts. And, as neither party provided further evidence or information for me to consider, I remain of the opinion £600 is a fair way to put matters right.

My final decision

For the reasons I've explained above, I uphold this complaint and require TransUnion International UK Limited to pay Mr A £600 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 November 2023.

Jon Pearce
Ombudsman