

## **The complaint**

Mr E complains about an entry on his Equifax Limited credit file.

## **What happened**

Earlier this year, Mr E contacted Equifax and raised concerns about an entry on his credit file. Mr E explained a defaulted credit card debt reported by a business I'll refer to as C was being incorrectly recorded.

Equifax contacted C on a number of occasions to dispute the entry on Mr E's behalf. But C responded and explained it purchased a defaulted credit card debt from the original lender in October 2019. C confirmed its agents were managing the account and provided contact details Mr E could use if he wanted to raise concerns about the debt in question directly.

Mr E went on to raise a complaint and forwarded Equifax legal information about whether an unenforceable debt should be reported on a consumer's credit file. Mr E has explained he believes the debt in question to be unenforceable so shouldn't be reported on his credit file.

Equifax issued a final response on 21 September 2023 but didn't agree it had acted in error. Equifax explained that whilst the account was reporting on Mr E's credit file with it, the information itself was owned by C. Equifax provided contact details Mr E could use to dispute the debt directly with C and confirmed it had raised a dispute on his behalf but hadn't been given permission to remove the default from his credit file.

Mr E referred his complaint to this service and it was passed to an investigator. They thought Equifax had acted fairly by disputing the debt with C and referring its response back to Mr E with instructions on how to challenge the debt directly. Mr E asked to appeal and said by reporting an unenforceable debt Equifax was acting outside the relevant laws and regulations it operates under. Mr E also said Equifax had a duty to ensure all the information reported on its credit file was accurate and up to date and that despite C refusing to provide permission, it should still have removed the entry from his credit file. As Mr E asked to appeal, his complaint has been passed to me to make a 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'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.

Mr E's explained his view which is that Equifax isn't allowed to report an unenforceable debt on his credit file. And Mr E has provided information from a judgement made by the Court of Appeals that says a business can't impose a default on a person's credit file if the credit agreement is judged to be unenforceable. I take Mr E's point but Equifax isn't the party to decide whether a debt is enforceable or not. That's something Mr E would need to address with C to resolve or refer to the courts.

When Mr E first contacted Equifax it asked him some questions and went on to quickly raise disputes with C. But on each occasion, C responded to confirm that the debt was valid and remained outstanding. C explained the debt came about by way of a credit card that had been closed at default by the original lender and sold to it in October 2019. C didn't agree that the debt was incorrectly reported or that Equifax could remove it from Mr E's credit file. I'm sorry to disappoint Mr E but I'm satisfied the way Equifax dealt with his dispute is very much in line with what we'd expect. I agree with Equifax that it doesn't own the information Mr E's complaining about and can't make amendments without C's permission. As that wasn't provided, I haven't been persuaded it was unreasonable for Equifax to continue reporting C's entry and default.

Both Equifax and our investigator provided contact details for C's agents who are managing the debt and said Mr E could make contact if he wanted to continue to dispute the debt. I'm sorry to disappoint Mr E but I'm satisfied it was reasonable for Equifax to refer him to C to dispute the account directly. If C later confirms the debt should be removed from Mr E's credit file, I'd expect Equifax to comply with a request it receives from it of that nature. But without permission from C to remove the account from Mr E's credit file I'm satisfied it's being fairly reported.

### **My final decision**

For the reasons I've given above, my decision is that I don't uphold Mr E's complaint.

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

Marco Manente  
**Ombudsman**