

The complaint

Miss R complains that TransUnion International UK Limited (TransUnion) merged her credit file with her twin sister's file and failed to resolve this when informed of the error.

What happened

Miss R's sister contacted TransUnion in March 2021 about a mortgage that she didn't have showing on her credit file. In April 2023, she contacted TransUnion again to say that her file had been merged with Miss R's.

Miss R contacted TransUnion in July 2023, to complain about the merging of the two credit files, and its failure to rectify the error when previously notified.

In its final response, TransUnion apologised for the error and confirmed its database was in the process of being corrected. It said it would consider appropriate compensation once this has been completed.

Unhappy with TransUnion's response, Miss R brought her complaint to this service. She said:

- Her personal, private and confidential details were visible on her sister's credit report, which is a breach of General Data Protection Regulation (GDPR) and a violation of her Human Rights and the Fair Credit Reporting Act (FCRA). This also caused an unnecessary rift between her and her sister.
- She was unable to consolidate finances or apply for a new mortgage, which significantly impacted her ability to manage cost of living increases. She had to take on extra jobs to meet her financial commitments.
- This issue has had a huge impact on her mental health.

Our investigator reviewed matters and concluded that TransUnion was at fault for the merging of the two credit files, and Miss R should be paid £300 compensation to reflect the distress and inconvenience caused to her.

TransUnion accepted our investigator's recommendation. Miss R disagreed and said £300 wasn't enough to reflect the long-term impact on her living conditions and mental health.

As no agreement has been reached, the matter has been 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.

It's unclear from the evidence available what happened to cause the merging of the two credit files. But I'm satisfied an error of some kind occurred and that TransUnion have taken

responsibility for the error, so I don't need to decide that aspect – I just need to consider what TransUnion should do to put things right for Miss R.

As this service is not the regulator, I cannot fine or punish TransUnion for the mistake it made. But I can consider the impact the error caused Miss R and this is what I've thought about.

The files were separated in August 2023, which I believe to be within a reasonable timeframe from when Miss R contacted TransUnion about the merge in July 2023.

I agree that TransUnion should've looked into the issue back in 2021 for Miss R's sister, when first notified something wasn't right. However, this has no bearing on Miss R's complaint, as her first contact with TransUnion about the matter wasn't until July 2023. Regardless of the matter impacting both sisters, Miss R would've still needed to contact TransUnion separately about the incorrect information showing on her own credit file. I've seen no evidence of this happening before July 2023. Neither have I seen anything to support that Miss R's sister had authority to act on her behalf and did so within her communication with TransUnion.

Miss R has described significant impact to her living conditions and mental health over a two-year period, which she considers to be a direct result of this issue. In such circumstances, I would've expected to see Miss R make reasonable attempt to mitigate ongoing impact by contacting TransUnion directly and following this up.

For this reason, in addition to lack of supporting evidence, I'm not persuaded that the merging of the credit files was the sole and direct cause of Miss R's health concerns and inability to obtain credit to consolidate finances over a two-year period.

I haven't seen any evidence to support the error has resulted in financial loss. Miss R says the amount of soft searches on her file is enough to indicate her inability to obtain credit during this time. But this isn't enough for me to be able to conclude that TransUnion are responsible for Miss R's inability to consolidate her debts. Multiple considerations are made by lenders following an application for credit, and there could've been other reasons for credit applications being declined. So, I'd need to see confirmation that the lending decisions made were solely based on the incorrect information showing on Miss R's credit file, and that lending would've been approved had that incorrect information not been there. I don't have this evidence here, so there is no guarantee that different lending decisions would've been made had the error not happened.

I am sorry to learn of the severity of Miss R's mental health struggles. It's clear from what Miss R has told us that she has been through a very difficult time. But based on the information available, I can't reasonably conclude that TransUnion are responsible for the decline of Miss R's mental health.

I do accept though, that given what Miss R was already going through at the time, this matter would've exacerbated the anxiety she was feeling. I don't dispute that Miss R's credit file being shared would've caused her distress and concern about the safety of her personal data. And I don't doubt the concern she reported feeling when she found out her sister had sight of her borrowing and financial standing, or the impact this had on their relationship. So, I do agree a compensation award should be paid to Miss R in recognition of this. And having considered the impact caused solely by the error TransUnion made, I'm satisfied that £300 is in line with the level of distress Miss R has suffered and within our award ranges for situations such as this.

In the absence of any evidence to support financial loss or detriment, I can't agree that TransUnion should increase the compensation from £300 to a higher amount.

Putting things right

TransUnion should now pay Miss R £300 compensation.

My final decision

For the reasons set out above, my final decision is that I uphold Miss R's complaint about TransUnion International UK Limited. I now require it to put things right as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 15 January 2024.

Nicola Bastin
Ombudsman