

The complaint

Mr H complains about third party information on his Equifax Limited credit file.

What happened

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

Mr H has the same first name as his father and grandfather and shares an address history. In June 2022, Mr H contacted Equifax after he found entries on his credit file that weren't his and related to his family members. Mr H raised a complaint. Equifax didn't issue its final response in the standard eight week timeframe but sent Mr H confirmation he could refer his complaint to the Financial Ombudsman Service.

A final response was issued on 10 May 2023 upholding Mr H's complaint. Equifax apologised for the delay in responding and explained the issue had occurred due to similarities between family members' names and addresses and the systems it uses to generate credit reports. Equifax explained it had applied a Notice of Disassociation which had resulted in the third party accounts being removed from Mr H's credit file. Equifax added that it's not possible to remove third party electoral roll information from a credit file but explained it wouldn't impact how lenders reviewed Mr H's report. In addition, Equifax provided guidance on how Mr H could record a Notice of Correction to his credit file.

Mr H referred his complaint to this service and it was passed to an investigator. They upheld Mr H's complaint and said Equifax should take steps to manually amend Mr H's credit file to amend the electoral roll data and pay him an increased settlement, totalling £400, for the distress and inconvenience caused. Mr H accepted, but Equifax didn't. Equifax forwarded a copy of a "lender" credit report that showed amendments had been made so that no third party accounts were being reported.

Equifax didn't agree an increased settlement was a fair way to resolve Mr H's complaint and asked to appeal. Equifax added that it wasn't possible to amend the electoral roll information recorded. As Equifax asked to appeal, Mr H'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.

The investigator asked Equifax to settle by doing two things. The first was to amend the electoral roll data recorded on Mr H's credit file to remove references to third parties of the same name. The second was that Equifax should pay an increased settlement totalling £400 for the distress and inconvenience caused. I'll look at each issue in turn.

Equifax has provided a copy of the lender report that is seen when a business accesses Mr H's credit file. It shows that, following the Notice of Disassociation Equifax applied, the third party accounts from Mr H's family members have been removed from his credit file. So I'm satisfied that, at the time of writing, the accounts that were misreported have been removed. But Equifax has explained that it can't amend its systems at this time due to the way electoral roll information is reported to it.

I've reviewed the report lenders will see and I'm satisfied it only shows accounts that belong to Mr H. The report also shows the names of the residents living at Mr H's property who're registered on the electoral roll. The names include various entries for people with the same first name as Mr H but different middle initials. It also shows the names of other individuals who the local authority reports as being registered at the address over the years. Equifax has explained this is the standard way it receives information from local authorities and that the details recorded on the lender's report are correct and don't impact any applications Mr H may make.

I think it's fair to say the main issue here that third party accounts have been recorded on Mr H's credit file in error. And I'm satisfied that issue has been corrected. But I haven't found any evidence that shows the way electoral roll information is displayed is wrong or that Equifax needs to make changes to amend it. So based on the information I've seen so far, I'm not telling Equifax to make any changes to the electoral roll information on Mr H's report.

With that being said, Mr H quite reasonably raised incorrect information with Equifax back in June 2022. It took Equifax almost a year to investigate and correct the mistake. I accept this was a systems issue. But I think Mr H should reasonably have expected it to correct errors on his credit file without undue delay. And I'm not persuaded that the £200 Equifax offered fairly reflects the incorrect accounts reported on Mr H's credit file as well as the delay in deleting them, responding or inconvenience caused. So whilst I understand Equifax doesn't agree an increased to £400 for the way Mr H's enquiries have been handled is fair, I'm satisfied it more reasonably reflects the level of distress and inconvenience caused.

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision. Both Mr H and Equifax confirmed they were willing to proceed with the settlement I gave in my 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.

As neither party has provided new information for me to consider and both have confirmed they're willing to proceed I see no reason to change the conclusions I reached in my provisional decision. I still think Mr H's complaint should be upheld, for the same reasons.

My final decision

My decision is that I uphold Mr H's complaint and direct Equifax Limited to settle by paying him a total of £400 (less any compensation already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 December 2023.

Marco Manente
Ombudsman