

## **The complaint**

Mr N complains his credit score, provided by TransUnion International UK Limited was incorrectly reduced.

## **What happened**

Mr N says in July 2023 he received a notification from a third party, I'll refer to as Company A, to say his credit score had dropped as he wasn't using his credit accounts – when this wasn't the case.

Mr N contacted Company A about this and was told the score he could see was provided by TransUnion, using information from his credit report. Company A also referred Mr N to TransUnion for clarification about how the score was generated.

Mr N contacted TransUnion the same day and asked for an explanation about what had happened. He said their website confirmed he had been using his credit card, along with paying off other loans, so his score shouldn't have changed.

TransUnion responded in September 2023 explaining a credit score is calculated using various factors and is a snapshot in time.

Mr N remained unhappy, telling TransUnion they'd not answered his question. He reiterated his concern, their calculations said he'd not used his credit card when he had.

TransUnion issued their final response on 27 September 2023. This explained that a credit score is their own perception of Mr N's credit worthiness, but they are not involved in any lending decisions. They also said the score is generated as a snapshot in time and as such scoring requirements and information received may change and impact the score.

Unhappy with this response, Mr N brought his complaint to our service in October 2023. Saying he'd been told by TransUnion his score had dropped because he'd not been using his credit account, but he used his card every month. He said TransUnion hadn't explained why this statement had been made. As such he was concerned about the impact this could have on credit checks as well as potential fraud if TransUnion were unable to keep his data accurate.

To resolve matters Mr N said he wanted an explanation of why his score had changed, when his behaviour hadn't. And an apology from TransUnion for not answering his questions or including his credit usage for one month in their calculations.

An Investigator here reviewed matters but concluded TransUnion hadn't acted unfairly. She explained she'd not seen anything to suggest TransUnion had made an error but considered it likely the score had been generated the month before Mr N's credit card provider had shared his usage with TransUnion. She went on to say credit scores weren't shared with potential lenders – only Mr N had access to this information

Mr N didn't agree. He considered there was a lack of transparency and TransUnion should provide an explanation. He said he still didn't have an answer as to why his credit score was lower.

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.

Firstly, I think it would be helpful to explain the remit of our service. We look at the responsibilities of the business being complained about, here that's TransUnion, and consider whether they've done what we'd expect of them.

Mr N says when his credit score dropped in July 2023 he received a notification suggesting he wasn't using his credit accounts, but that was incorrect. As such, I can appreciate Mr N's frustration. However, in order to hold TransUnion responsible, I'd need to be persuaded either they sent the notification, or, the notification was sent on their instruction – but that isn't the case here. I'll explain this in more detail below.

In this case Mr N holds a membership with Company A, not TransUnion as this isn't a service they provide. Company A are a credit monitoring service which can be used to track activity on a credit report. Generally speaking, services such as the one Company A provide give consumers an insight into any changes on their credit report as well as providing tips on how to improve their score.

In this case Company A provides the service Mr N signed up for and I'll refer to as B. That uses data from TransUnion to generate information, their website says:

*"[Company A] uses data from credit reference agency, TransUnion, to compile your score and report via [B]"*.

It goes on to say: *"You can check your score and get tips on how to boost it"* and *"Your credit report refreshes on a monthly basis"*.

As such, while Company A gathers information from TransUnion, this is just a snapshot at the time it's taken. Company A will then make recommendations based on the information they've gathered. This means the information and notification Mr N has seen is provided by Company A – not TransUnion, and I can't hold TransUnion responsible for this.

I understand Mr N was concerned that, based on the information provided by Company A, his credit score had gone down. However, a credit score is simply a numerical figure that can be used to give some general comprehension of whether your credit record is in a good place, or not. The score will fluctuate regularly, based on various factors, including among other things, the balance held on credit cards when the score is generated, or the amount of available credit being used. Factors which may have impacted Mr N's score. Lenders don't see this score – it's simply an indication of how a potential lender may view an individual's credit rating, rather than a formal assessment. Instead, lenders use data from credit reference agencies such as TransUnion, along with information the applicant has provided to assess a credit application, using their own systems.

As such, if there has been no change to the information on Mr N's credit report, as he says – his score fluctuating wouldn't impact any potential application. And while this situation is no doubt frustrating for Mr N – it might help to look at the score as TransUnion's view rather than something which is set in stone.

I appreciate my decision will likely come as a disappointment to Mr N. But based on everything I've seen TransUnion haven't made an error here.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 27 May 2024.

Victoria Cheyne  
**Ombudsman**