

The complaint

Mr A complains that TransUnion International UK Limited (TransUnion) added his brother's mortgage account to his credit file and failed to resolve this within a reasonable timeframe once informed of the error.

What happened

I issued my provisional decision to both parties on 7 June 2024, which set out the background and my provisional findings on this complaint. My provisional decision said:

Mr A applied for a mortgage which was declined in April 2023. He was advised by his mortgage adviser this was due to undisclosed credit commitments showing on his credit file.

Mr A obtained a copy of his credit file and found a mortgage account, held by his brother, was showing on his report. Mr A contacted TransUnion to request the urgent removal of this information as it was holding up his own mortgage application.

TransUnion requested further information, which Mr A provided on 13 April 2023. On 30 June 2023, TransUnion confirmed to Mr A the disputed entry had been removed from his file.

Mr A raised a complaint to TransUnion. He said the issue and the subsequent delay in resolving the matter cost him thousands due to continuously rising interest rates.

Mr A didn't receive a response from TransUnion within eight weeks, so he brought his complaint to this service. Following this, TransUnion issued a final response on 12 September 2023. It upheld Mr A's complaint, apologised for the error and confirmed its database was in the process of being corrected.

Our Investigator reviewed matters and said TransUnion hadn't done enough to fairly resolve Mr A's complaint. They said TransUnion should pay Mr A £250 compensation for the impact caused by the error and the delays in resolving it.

TransUnion accepted our Investigator's recommendation. Mr A disagreed and said the matter had cost him over £3,000 due to increased mortgage interest rates.

As no agreement has been reached, the matter 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.

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 Mr A's brother's mortgage to show on Mr A's credit file. But I'm satisfied an error of some kind occurred and that TransUnion have taken responsibility, so I don't need to decide that aspect – I just need to consider what TransUnion should do to put things right for Mr A.

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 Mr A and this is what I've thought about.

TransUnion has provided evidence that shows the disputed entry was removed from Mr A's credit file on 12 May 2023. It then took TransUnion a further seven weeks to notify Mr A of this. I'm satisfied this should've happened much sooner, especially given the impact the matter was having on Mr A's ability to obtain a mortgage, which TransUnion were aware of.

Once Mr A was notified the matter had been resolved, he was able to secure a mortgage with another lender. But during the time it took TransUnion to resolve the issue, the interest rate secured by Mr A had risen from 4.89% to 5.64%.

I don't doubt that the presence of Mr A's brother's mortgage on his credit file would've made it more difficult to obtain a mortgage himself. However, multiple considerations are made by lenders following an application for borrowing. So, for me to be able to conclude that TransUnion are responsible for Mr A's financial loss, I'd need to see confirmation from the lender itself that the decision made was solely based on the incorrect information showing on Mr A's credit file. And the mortgage would've been granted had that incorrect information not been there.

Our Investigator has asked Mr A to obtain confirmation of this from the lender that declined his mortgage application in April 2023, but this hasn't been provided.

Mr A has provided emails from his mortgage broker suggesting the application was declined due to the incorrect entry on his credit file. However, Mr A's mortgage adviser also explained no specific reason was provided by the lender beyond it being based on information on his credit file. Without this, there is no guarantee that a different lending decision would've been made had the error not happened.

Mr A being able to obtain a mortgage with a different lender following the correction of his credit report, isn't enough for me to determine that the original application would've been approved had the error not occurred. And so, in the absence of any evidence from the original lender to confirm it would've been, I can't reasonably instruct TransUnion to cover the difference in interest Mr A will pay over his two-year fixed period.

I accept that Mr A's brother's financial information showing on his credit report would've caused him distress and inconvenience during a time where he was trying to obtain a mortgage. And I don't doubt the stress this and the delay in resolving the matter would've caused. So, I do agree a compensation award should be paid to Mr A in recognition of this. And having considered the impact caused, I'm satisfied £250 is in line with the level of distress and inconvenience Mr A has suffered and within our award ranges for situations such as this.

Responses to my provisional decision

TransUnion confirmed its acceptance of my provisional decision.

Mr A responded to confirm he has no further comments or submissions to provide.

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 there are no further submissions for me to consider in relation to this matter, I see no reason to alter the conclusions reached in my provisional decision as set out above. So, I still uphold this complaint and require TransUnion to pay Mr A £250 compensation.

My final decision

For the reasons set out above, my final decision is that I uphold Mr A'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 Mr A to accept or reject my decision before 9 July 2024.

Nicola Bastin
Ombudsman